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NEWS SUMMARY

GENERAL

Beirut siege gunmen held

The siege of the Canadian Embassy in Beirut ended last night when eight gunmen who had been holding 17 hostages for more than nine hours were arrested.

The gunmen—they came from the same family — had been pursuing a personal claim on behalf of one of their number, Mr. Mohammed Haymour, who was deported from Canada after being alleged to be insane.

They had demanded a ransom of $450,000 in respect of an island off Vancouver, which Mr. Haymour says, the Canadian Government took from him, writes Richard Johns from Beirut.

'Free pardon'

The hostages—eight Canadians and nine local staff—were found unharmed after the surrender of their captors who are understood to have negotiated a free pardon.

Mr. Alan Sullivan, Canadian Charge d'Affaires in Lebanon who was a hostage, said: "I did what was necessary to ensure a satisfactory conclusion, adding that Ottawa would look sympathetically into Mr. Heymour's grievances.

Callaghan to visit Iran

Mr. James Callaghan, Foreign Secretary, is to visit Iran as guest of the Iranian Foreign Ministry from March 4-8. Mr. Callaghan's talks are expected to focus on the changing economic relationship with Iran in the light of an anticipated 1976-77 Iranian payments deficit of ...bn.

... prison officers sent for trial

...teen prison officers were sent for trial at Birmingham yesterday on charges of beating the six Birmingham pub bombers at Winson Green jail on two separate occasions after their arrest. In Dublin the Herrema kidnap trial was adjourned until Thursday. In Belfast last night the Ulster Convention appeared doomed to failure, following another breakdown in the talks between politicians.

Lords hear Russell case

The battle between 54-year-old Geoffrey Russell and 25-year-old accountant John Russell over which one of them should be the fourth Baron Ampthill began yesterday in the House of Lords. The dispute involves a celebrated divorce case of the 1920s—the "Russell baby" case.

Trawl wires cut

The Icelandic gunboats Baldur and Tyr cut the wires of the British trawlers Arctic Vandal and ...aneda yesterday. Icelandic ... Page 6

Tanker aground

A Greek tanker, the 31,126-ton ... Promise, carrying 2?,000 tons of crude, was last night aground in the mouth of the ... There was no sign of any ...

... sting home

... Britain II, leader in the Clipper Race, is expected to finish the return leg from ... at Dover to-morrow. Page ...

Briefly . . .

... Lowry, the North Country painter, has died in hospital at ...p, near Manchester. He was 88. Obituary, Page 3

... were born in London yesterday to the wife of a London ...ist. The mother had taken a fertility drug.

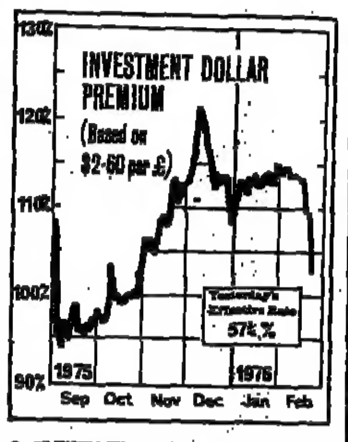
... Rio Tinto-Zinc chairman, Sir Val Duncan, who died last December, left estate in the U.K. valued at £...88 net.

BUSINESS

Account starts with rise of 8.3

● EQUITIES responded to sporadic institutional buying at the start of the Account, but trading volume was low. The FT 30-share index, after gaining 10.6, ended 8.3 higher at 400.2. Rises led falls in Industrials by 9-2. Gold Mines index dropped 1.2 to 195.3, its lowest since December 27, 1973.

● GILTS revived, with a brisk trade in shorts, which gained up to ½. High-coupon longs rose by as much as ¾. Government Securities index was 0.36 higher at 63.17.



● INVESTMENT DOLLAR premium lost 3½ on persistent small selling at 102¾ per cent.

● ITALIAN LIRA'S devaluation widened to 46.61 (44.58) per cent. Sterling gained 5 points at $2.0250 and its depreciation was unchanged at 30.3 per cent. Dollar's was 2.69 (2.68) per cent.

● GOLD was steady at $131½.

● WALL STREET slipped 2.52 to 965.28 on a volume of 31.46m. (44.51m.) shares.

● NUR LEADERS last night voted against taking any industrial action over their opposition to increased fares and cuts in rail investment. They are to seek a meeting with Mr. Wilson.

TUC financial views sought

● TUC is expected to receive an invitation from the Accountancy Bodies' consultative committee to take part in discussions on the financial reporting standards of British companies. Back Page

● BRENTFORD NYLONS, the privately-owned leading household textiles company, has been put in the hands of a receiver. Back Page; News Analysis, Page 8.

● GAS WHITE-COLLAR workers are threatening to reduce supplies to industrial users unless the British Gas Corporation improves a productivity pay offer. Back Page

● GEC Telecommunications says 1,568 jobs in Scotland and the North-East will be "surplus to requirements" between now and early next year. It wants to introduce short-time work and voluntary redundancies. Back Page

● DIAMANG, the Diamond Company of Angola, is negotiating with the MPLA Government in Angola to hand over its concession rights. Page 5

● OFFSHORE PLATFORM building tripartite committee meets for the first time in London to-day in a bid to prevent a major rundown of the industry. Page 8

● DRYPOOL SHIPBUILDING and engineering group may be saved from closure, although Sir Iain Stewart, the Scottish industrialist, has abandoned plans to take over the Selby shipyard. Page 8

● HOOVER'S pre-tax profits last year improved at £19.2m. (£4.9m.). At Merthyr, Glamorgan, 5,000 washing machine plant workers have been laid off. Pages 20, 29 and Lex.

...F PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...y 3pc 1979	£87¼	+ ¼
...ry 13pc 1990	£99¼	+ ½
... Dairies	212	+ 6
...	121	+ 6
...m	355	+ 7
...	353	+ 7
...	79	+ 5
... (R.)	224	+ 6
...	82	+ 5
...ssex Eng.	30½	+ 8
... Minsep	198	+ 11
...	151	+ 5
...	367	+ 7
...p	104	+ 10
... Lotus	29	+ 5
... "A"	340	+ 15
...	382xd	+ 6
...ke	110	+ 6
... Secs.	116	+ 8
Laporte	91	+ 5
MEPC	84	+ 5
Marks and Spencer	104	+ 4
Metal Box	286	+ 7
Nat. Westminster	260	+ 10
News Intnl.	165	+ 7
Phoenix Ins.	220	+ 8
Reyrolle Parsons	124	+ 6
Royal Ins.	320	+ 10
Smith Bros.	64	+ 4
Stocks (Jos.)	115	+ 15
Tarmac	174	+ 6
Tube Invests.	334	+ 10
Utd. Newspapers	272	+ 12
Shell Transport	386	+ 6
Barymin	44	+ 9
Malayan Tin	190	+ 7
RTZ	195	+ 9
Thiess Hldgs.	205	+ 10

FALLS

Anglo American	295	− 10
De Beers Dfd.	258	− 12

Labour-TUC unity survives 'frank talks' on spending

BY RICHARD EVANS, LOBBY CORRESPONDENT

Trade union leaders yesterday gave Mr. Denis Healey, Chancellor of the Exchequer, a gruelling interrogation over the Government's projected cuts in public spending, but made no move to fracture the unity between Ministers and the TUC on broad economic policy.

Mr. Healey admitted that there had been some "very frank talking" at the TUC-Labour Party Liaison Committee meeting, but Mr. Jack Jones, general secretary of the Transport and General Workers' Union, stressed that the labour movement was still united.

There were, however, further signs of deep divisions within the Parliamentary Labour Party over the expenditure White Paper "cuts" of £3bn. up to 1980.

In defence of the cuts, Mr. Healey made an astonishing attack on some party colleagues.

He said at the private Liaison Committee meeting that MPs and others in the party who were talking of open war between the Government and the party were "out of their little Chinese minds."

No names were mentioned by Mr. Healey, but there was little doubt at Westminster that the Chancellor was referring to the Tribune Group in general and Mrs. Judith Hart and Miss Joan Maynard in particular.

Mrs. Hart, MP for Lanark, had described the cuts as "the greatest kick in the teeth for the welfare state since the war."

Miss Maynard, a leading figure on the Left, warned the Government that the Labour Party could expect to lose or do extremely badly in the forthcoming Coventry North-West by-election.

The exchange illustrates the bitterness building up in the party over the cuts.

This could come to a head at a full meeting of the Parliamentary Labour Party attended by Mr. Healey to-morrow and in the Commons debate on the White Paper within the next fortnight.

An increasing number of Left-wingers continue to insist that they cannot support the Government in the lobbies.

But for Ministers the key factor is that TUC leaders, although angry at the prospect of higher food prices, rents and fares, are maintaining their broad support for the Government's incomes policy.

In addition, there were no signs yesterday that any other Left-wing Ministers were about to follow the example of Miss Joan Lestor, former Parliamentary Under-Secretary of Education, who has resigned from the Government.

Many of the Ministers thought most likely to resign made it clear that, although they are deeply unhappy about the cuts, and the impact they will have on the Labour Movement, they believe it more sensible to stay in the Government and try to change policies, rather than resign and join their back-bench colleagues.

The Tribune Group met at the Commons to decide how to raise the tempo of its protests against the cuts, but decided to put off the decision until after to-morrow's meeting of the Parliamentary Labour Party. They will meet again on Thursday.

After the Tribune meeting, Mr. Arthur Latham, the chairman, derided the comment made earlier by Mr. Healey about the Left-wing. He claimed that the matter was far too serious to indulge in that kind of exchange.

There was no doubt in the mind of Tribune MPs, he said, that the broad mass of the labour and trade union movement shared the view that endorsement of the White Paper would represent abandonment of both 1974 election manifestos.

Mr. Latham admitted that the Group was in difficulties about how to put its protests into effect. Many members of the

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U.S. code may ban bribes by companies

BY DAVID BELL

WASHINGTON, Feb. 23.

THE U.S. is prepared to include rules against bribery in the international code of conduct for multinational companies that it has been trying to draft for the past 18 months, Dr. Henry Kissinger, the Secretary of State, disclosed in Colombia to-day.

In Washington, State Department officials confirmed that work has been going on for some time on a possible draft agreement that would cover every facet of the behaviour of multinational corporations overseas, but said no precise details had yet been worked out.

Senator Frank Church, chairman of the Senate sub-committee on multinationals, and several other Congressmen are also working on new legislation on the same subject.

Unfair

At an impromptu Press conference in Bogota, where there have been allegations of illegal payments by the Lockheed Aircraft Corporation, senior U.S. officials are reported to have said that disclosures of bribery by U.S. companies in recent weeks have been a "massive embarrassment and a massive disaster." They pointed out, though, that any international code to regulate bribery by companies would be exceedingly difficult to operate.

Dr. Kissinger's desire to secure some kind of international agreement springs partly from his feeling that U.S. companies have been singled out unfairly for criticism and partly from his fears that U.S. foreign policy interests are being harmed by the stream of revelations.

Officials say agreement has been held up by the unwillingness of some countries to accept that they should be bound by any code just as tightly as multinational companies operating within their borders.

Falsifying

Under existing American law, U.S. companies accused of bribery overseas cannot be prosecuted unless it can be proved that they have hidden their activities by falsifying their accounts or otherwise breaking corporate reporting laws.

Dr. Kissinger said that a big advantage of the new code would be that it would have the force of American law and the activities of U.S. companies overseas could thus, for the first time, be tried in U.S. courts.

U.K. envoy likely for Rhodesia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE GOVERNMENT is expected to announce this afternoon that it has decided to send a special envoy to Rhodesia. The decision, which could involve the envoy in visits to other key African countries, is seen as a follow-up to last week-end's exchange of letters between Mr. Ian Smith, the Rhodesian Prime Minister, and Mr. James Callaghan, the Foreign Secretary.

Mr. Callaghan, who until yesterday had 'flu, may make the announcement himself. If not, it is likely to be made by Mr. David Ennals, the Foreign Office Minister with responsibility for Africa, in to-day's Foreign Affairs debate in the Commons.

Although the Foreign Office would not confirm last night that the decision had already been taken, it is understood that the Foreign Secretary feels the need for an immediate on-the-spot appraisal of the Rhodesian situation, particularly in the light of Mr. Smith's remarks last Friday that he saw the possibility of bringing Britain into Rhodesian settlement talks.

It is not clear whether Mr. Callaghan has decided to send a Minister, in which case Mr. Ennals, who last visited Rhodesia eight months ago, is the most likely candidate, or whether he feels that a senior Foreign Office official would be more appropriate at this stage.

Sir Anthony Duff, Deputy Under-Secretary with responsibility for Africa, went earlier this month to South Africa and to Washington, principally for discussions on Southern Africa, including Rhodesia.

The Government's reaction to Mr. Smith's stated change of tactics has been cautious. It could be argued that by sending a Minister the Government would give the impression that it was ready to take part in negotiations.

Whitehall officials insist that Mr. Callaghan is far from agreeing that Britain can play a role in negotiations between Black and White in Rhodesia at this stage. He is, however, concerned to explore whether Mr. Smith really has had a change of heart, particularly on the issue of a rapid transfer to majority rule.

Only if he has, it is suggested, would Mr. Callaghan be prepared to call or to chair a full-scale conference.

So far, although talks between Mr. Smith and Mr. Joshua Nkomo, leader of the Rhodesia-based wing of the African National Council, are due to resume on Thursday, there is little sign that the large gap between the two sides can be bridged. Mr. Nkomo has produced proposals which would bring in a Government of Africans in about two years, while Mr. Smith's counter-proposals envisage 20 years at least.

There is apparently little optimism in Whitehall that a settlement is likely, even though it is admitted that, with the advent of nationalist Governments in Mozambique and Angola and an apparent increase in guerrilla activity against Rhodesia the threat of continu-

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£ in New York

—	Feb. 23	Previous
Spot	$2.0260-0255	$2.0240-0250
1 month	0.61-0.58 dis	0.61-0.55 dis
3 months	1.28-1.24 dis	1.30-1.27 dis
12 months	[illegible]	[illegible]

FEATURES

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Israel seeks peace pacts with Arab neighbours

BY L. DANIEL

JERUSALEM, Feb. 23.

THE ISRAELI Cabinet has now resolved to go ahead with a new initiative in an attempt to break the impasse in negotiations on a way forward in the Middle East.

It has empowered the United States to explore the possibilities of new agreements with each of Israel's Arab neighbours which would provide for an "end to the state of belligerency."

In return, Israel would be willing to make deep withdrawals in Sinai and significant adjustments to the present boundaries on the West Bank of Jordan and the Golan Heights.

Both Washington and Jerusalem have reservations about the chances of securing such an agreement with an Arab world which remains profoundly divided over what should be the next move in the search for a settlement in the Middle East. But the Israeli Cabinet has been persuaded by Mr. Yitzhak Rabin, the Prime Minister, after his recent visit to the U.S.

A team of Israeli and American jurists is to study the legal implications of an agreement which ends the state of belligerency between two states—as opposed to a peace treaty. In the first instance, this is likely to be specifically related to Egypt and Israel.

David Bell reports from Washington: During his recent visit to Washington, Mr. Rabin, told the U.S. that Israel would be prepared to withdraw in Sinai to a line between El Arish and Ras Muhammed and to make some concessions along the Golan Heights border with Syria if the Arabs could join in a declaration that the state of war was over.

The U.S. State Department, which is still searching for a way to end the deadlock in the area, did not reject this offer.

But officials think it most unlikely that Egypt and Syria would agree to it unless it is preceded by an Israeli guarantee to withdraw from all territory occupied in the six-day war in 1967.

Israel has in any case made it clear that it is not prepared to make very much more than "cosmetic changes" on Golan and the Syrians have made it equally clear that they will have nothing to do with such proposals.

The Israelis are especially keen that King Hussein of Jordan play the "honest broker" between Israel and Syria to see if some compromise might after all be possible.

The King is to visit Washington at the end of this month and no doubt State Department officials will relay this idea to him again.

U.S. ambassadors from several Arab countries are being brought back to Washington in advance of the visit for consultation.

U.S. officials believe, however, that in view of the developing rapprochement between Syria and Jordan, King Hussein is unlikely to be willing to play such a role.

They believe that many Arabs see the suggestion that he should as an attempt by the Israelis to circumvent the Palestinian issue.

The Israelis still maintain that the Palestinian problem should be settled in a Jordanian context. The State Department has little confidence in this approach, in spite of Israeli statements to the contrary.

The term "end of a state of war or belligerency" is favoured by Israelis because it is more vague than a non-belligerency pact.

Some observers in the U.S. feel that Israel sees its latest initiative as a way of spinning out the negotiations, so that they can continue inconclusively until after the U.S. Presidential election in November.

Then, according to this view, Israel will be prepared to negotiate seriously with whatever U.S. Administration has been elected.

The Israelis deny this. They say that they are as anxious as the U.S. to find some way out of the deadlock.

Jobless tally to exclude students

BY PHILIP RAWSTORNE

GOVERNMENT moves were announced yesterday to end the distortion of the unemployment figures caused by the growing number of adult students who register during vacations.

Student grants are to be changed to make it unnecessary for most students to register during the short vacations to claim supplementary benefit.

From next month, the number of unemployed students will be published separately from the main unemployment statistics.

Mr. Michael Foot, Employment Secretary, told the Commons yesterday that the fluctuation in the number of students on the register—now affecting the statistics in six months of the year—was creating considerable problems in interpreting the figures.

Unemployment figures to be published to-day are expected to show a fall of more than 100,000 from last month's total, due to students leaving the register at the end of the Christmas vacation, but the underlying trend will remain strongly upward.

In an attempt to keep students off the register, Mr. Fred Mulley, the Education Secretary, yesterday announced that the students' personal maintenance award in 1976-77 would be changed to provide, on average, the equivalent of supplementary benefit entitlement during the short vacations.

The present vacation element in a student's grant amounts to about £3.18 a week and by registering as unemployed most could have this made up to the £9.70 supplementary benefit of a single non-householder.

From Christmas this year, the vacation element will be increased and concentrated in the two short vacations at about the £9.70 level.

Entitled

No allowance will be paid for the summer vacation. Students unable to find jobs will continue to be entitled to claim supplementary benefit if they do not have enough income to support themselves.

Similarly, students entitled to additional benefits will still be able to claim them.

Mr. Foot told MPs that the number of students registered during the short vacations—now more than 100,000—should be considerably reduced, but added: "It does not mean that all students will be removed from the register in those vacations, or that the numbers registered in the summer will be reduced."

Mr. Barney Hayhoe, the Tory spokesman, said the Government's moves were further examples of "putting short-term political presentational considerations first".

Mr. Foot replied that it was "a commonsense arrangement" for dealing with those students not seeking permanent employment.

● Joe Rogaly writes: The hardening attitude against social security is a natural result of rising unemployment, Professor David Donnison, chairman of the Supplementary Benefits Commission, said in a lecture at the University of Edinburgh, last night.

"Losing confidence in economic growth, everyone recognises that social policy has become, at best, a zero sum game: anything you get I will have to pay for by a real drop in my own living standards," said Professor Donnison.

"Inflation has reduced the tax threshold to a point at which almost everyone in work is paying income tax and is more sharply aware than hitherto that other people's benefits come out of his own earnings."

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Parliament, Page 11

LOMBARD

Tax, freedom and all that

BY C. GORDON TETHER

ONE OF the devices that Mrs. Thatcher, the Conservative Leader, is employing in the all-out drive to *furnish her party* with a new philosophy and a new image consists in trotting out cliches and then proceeding to hammer them home as though they were truths that could be universally accepted in their entirety without question.

The latest addition to this part of her armoury is the proposition that taxation hits freedom—meaning, as she explained in a speech over the week-end, that every time the Government takes a bigger slice of the pay packet, it is taking a bigger slice of freedom and thereby *striking at the* roots of a free society. And, like so many of the earlier ones, it will not stand up to the light test nearly as easily as she appears to assume it will.

It is, of course, undeniable that the greater the extent to which the State absorbs the financial resources accruing to the citizen through income-tax or other imposts, the *less freedom that citi*zen has to spend his money as he wants to. But the argument over the connection between taxation and freedom does not begin and end there.

Incompatible

In our complex society of to-day, it is broadly true to say *that one man's desire for free*dom can rarely be indulged without eroding the freedom of others. To take a simple example, freedom to deposit one's litter all over the grass wherever one happens to be having a picnic automatically entails denying others their freedom to enjoy an unspoiled countryside.

The role of the State is to get *as near as is reasonably possible* to striking the right balance between demands for freedom that are essentially incompatible with one another. And this is *clearly no less true where taxa*tion is concerned than it is elsewhere.

It has long been recognised that the economic mode of life we have evolved over the centuries gives undue freedom to some members of the community to exploit the efforts of the rest—more particularly by allowing them to acquire a disproportionately large *share* of the ownership of productive resources created by the efforts of all. The main purpose of income tax—and *most* other taxation for that matter—has always been to *remedy this* injustice by redistributing, in one form or another, the available spending power.

In other words, it is more appropriate to portray taxation as the handmaiden of freedom than as its enemy—in the sense, *that is,* that meaningful freedom consists in getting as near to perfection as possible in reconciling the interests and aspirations of groups of citizens which are basically in conflict.

Naturally, there will always be room for argument as to whether this balance is being fairly struck. But that is no justification for holding that establishing a tax at a higher level involves a violation of rights that strikes at the roots of a free society. Some people may be *found ready to* argue that the new higher level is still not high enough to ensure an adequate degree of freedom for those for whose benefit the revenue so collected is to be used.

Road casualties

Needless to say, the more sophisticated *our mode of life* becomes, the greater the difficulty the State is apt to experience in determining the most satisfactory order of priorities for conflicting freedoms. Mr. Trudeau, the *Canadian Prime* Minister, illustrated this point in graphic manner when, in a recent call for a top-to-bottom re-examination of our values, he drew attention to the strength of the case—on economic as well as compassionate grounds—for imposing more severe limits on the freedom of those who drive and drink.

After setting out the cost to the community of the rising toll of road casualties in terms of its implications for productive activity, the cost of repairing the material damage and treating that to life and limb, he pointed out that there were good reasons for thinking that the bill could be cut by a half. How? Through the introduction of more rigorous controls over road behaviour and the drinking activity that nowadays plays such a large part in producing accidents—in the U.S. almost a half of road deaths are "drink-related."

It follows from this that, quite apart from the suffering that drivers and drinkers cause, and the erosion of the freedom their *victims suffer* on this account their activities hit at the freedom of others in an economic sense. For they have the effect of materially reducing the spending power at the disposal of the rest of the community. As Mr. Trudeau asked, would it be striking a blow for freedom in the best sense to leave them with less?

RACING — BY DOMINIC WIGAN

Nigel Tinkler can win two

COLIN TINKLER'S highly accomplished younger brother, Nigel, still only 21, could be the jockey to follow to-day at Sedgefield, where he rides *Perfect Match* and *Some Hazard*.

His best chance appears to lie with the hitherto disappointing Perfect Match, who goes for Division I of the Billingham Novices' Hurdle, from which Denby and the well-regarded Lantern Light have been withdrawn.

Perfect Match, who has finished in the frame on all but one of his nine appearances this season, should find little difficulty in dealing with to-day's opponents provided that he can be kept up to his work and is not allowed to *duck out as he did* at Teesside.

Some Hazard faces far stronger opposition in the two-and-a-half-mile Crook Hurdle, in which Any Second, Salmo Lady and the *lightly* weighted Tingalary are among his rivals.

Some Hazard achieved a quick hat trick through successes at Wetherby, Catterick and Kelso, before failing by five lengths on his last appearance to give the improving Devon Mignon 7 lb in the competitive Zetland Hurdle at Catterick.

He will not find it easy to concede 13 lb to the course specialist, Salmo Lady.

Nevertheless, he is a tough gelding capable of finding a good deal under pressure and I do not intend to oppose him.

A second possible winner for Perfect Match's trainer, Jack Calvert, is Half Hooked, who bids for his sixth success on this track in the afternoon's most valuable event, the Branspeth Chase.

Although the 10-year-old Half Hooked will not be disgraced, I doubt that he will deal with either the top weight, Drumador, or *Old Stephen*, a recent half-length winner from Hugo Duncan, from whom he was receiving only 10 lbs at Ayr. Old Stephen is the selection.

SEDGEFIELD

1.45—Ridgeway
2.15—Perfect Match***
2.45—Some Hazard
3.15—Old Stephen
3.45—Set Point
4.15—Broomstone

NEWTON ABBOT

2.00—Tinker Boy**
3.30—Kara-Pops
4.00—Tudor Slipper*
4.30—Scarlet Leader

At to-day's second meeting, Newton Abbot—where there is a Racegoers' Club concession day programme—*Tinker Boy* and *Tudor Slipper* appeal as safe propositions.

Tinker Boy recently found little difficulty in accounting for Sea Count in a similar event at Leicester.

The Ryan Price trained Tudor Slipper was equally impressive when putting five lengths between himself and Virginia Drive in a division of Taunton's fresh start novices' hurdle on January 29.

Two leading Cheltenham Gold Cup prospects are due to re-appear later this week.

Anne Duchess of Westminster's 1975 hero, Ten-Up, is expected to make his first appearance since mid-Dememeber in the Newlands Chase at Naas on Saturday.

Soothsayer, the runner-up in last year's Gold Cup, is due to go to post for Wincanton's Jim Ford Challenge Cup on Thursday.

Soothsayer, formerly with Fred Winter but now trained by Toby Balding at Weyhill, has not been out since taking third place in the United States Colonial Cup more than three months ago.

SALEROOM — BY ANTONY THORNCROFT

Old Masters make £200,000

ATTENTION YESTERDAY was focused on Phillips' picture auction—their first devoted exclusively to Old Masters. It was a great success, the 136 lots bringing in £197,080, which is an extremely high total for Phillips.

The saleroom was crowded, and most lots far exceeded their estimates. The highest price was the £25,000 paid by Williams and Sons for four views of Halifax, Nova Scotia, painted around 1765 by Dominic Serres, and the subject of keen Canadian bidding. *Williams acts for many Canadian* buyers so the works may well go back there.

A pair of Italian landscapes by Jan Wynants, painted on copper around 1660, went for £18,000, *and Leggatt paid £10,000 for a* painting by Valerio Castello of *Abraham Entertaining the Angels.*

Richard Green paid £8,200 for a still life of fruit by Pieter de Ring and the Swiss dealer David Kotser £7,200 for a 1642 landscape with figures by Jean Van Goyen.

A furniture sale at Phillips totalled £27,838, with Bishop paying £650 for an 18th century, white marble chimney piece.

Sotheby's held a diverse collection of sales yesterday covering books, glass and antiquities. The glass auction was perhaps the most successful, with less than 3 per cent. of the lots bought in and a total of £33,352 taken.

There was a particularly high price of £4,800 from the German dealer Zietz for a Venetian enamelled armorial bowl of 1513-34 bearing the arms of a Medici Pope. It had been estimated to fetch £2,000-£3,000.

Zietz also paid £2,200 for a Venetian filigree tazza of 1830.

The books sale totalled £43,881, with a top price of £3,500 for a first edition of Chapman's *Architectura Navalis Mercatoria* published in Stockholm in 1768. Hammond paid £2,200 for two volumes by Rossini containing many plates of Rome of 1823 and 1826, and there was a bid of £1,700 for Jenkins' *Naval Achievements of Great Britain* of 1820. Only two small lots were bought in.

In the auction of antiquities, which totalled £56,855, Eade paid £1,200 for a South Italian Greek pottery volute amphora of the 4th century B.C.—it had been *estimated to fetch only £300-£300.*

A French dealer gave £880 for a Roman marble female torso of around 100 A.D. and a large Cypriot iron age pottery amphora of about 600 B.C. went for £820.

Christie's English porcelain sale yesterday totalled £36,975 the highlight being the £3,000 paid by a private collector for a Derby yellow ground coffee can and saucer made between 1790 and 1800. This was a record price for a Derby cup and saucer, beating the previous 1969 auction record of £1,522.50.

The item came from a distinguished private collection of cups and saucers. Christie's sold a continental section for £44,000 earlier this month and the English items added another £22,931, with yet more cups and saucers to come.

Other good prices included the £1,600 paid by a London dealer, Firminger, *for a rare Chinese* octagonal tea bowl and saucer, painted en camaieu rose, with Turkish figures in a cavalry skirmish (estimate £700-£900). Welby paid £1,100 for a Chelsea octagonal *fable* beaker and saucer, painted by Fidele du Vivier with the fable of the fox and the hen, and Schwarzenbach £1,000 for a similar piece showing the lion and the frog, painted by Jefferies Hammett O'Neale.

A Derby service decorated in the oriental style went to J. Sewell for £1,000.

WINE

How long will red last?

BY EDMUND PENNING-ROWSELL

AS I WROTE two weeks ago in the article on the keeping qualities of wine, the reds will normally have a longer life than all but exceptional whites. One of the preservatives is the tannin in the skins, which are usually removed before white wine grapes are pressed. However, ordinary red wine may lose its fruit after a year or two, as it will lack the balance of a fine wine, with which most people are concerned when considering keeping qualities. The obvious examples of these are French—though a few Italian and Spanish reds can keep very well—and essentially restricted to Bordeaux, Burgundy and the Rhône.

There are those who visualise the graph of a wine's life as resembling an isosceles triangle, reaching a peak of maturity at a certain point and then descending as quickly as it rose. In fact this is seldom the case, although the farther a wine is removed from vintage quality the more will it nearly conform to this pattern. For example some clarets of the poor year 1968 developed rapidly and made attractive drinking between *about four years' and six years'* old. Some lasted longer but others went brown rapidly and lost their *fruit* quite quickly, though to-day a *few* still remain agreeable. Colour is certainly *an indication of age,* not just in terms of years but of a wine's life. One first-growth '68 was as brown-tinged at four years' old as a centenarian claret in fine condition.

The lesser the wine the sharper the slope of the sides of the triangle, but even then the two sides are unlikely to be equal. There are some inclined to believe that a wine's descent is more rapid than the ascent. Wine merchants' lists may contain some such phrase as "will be at its best in two years' time," or "keep another 18 months." In response, some anxious customers almost set their watches or ring round an advance calendar. In fact merchants are the first to admit that such comments are but the roughest of guides.

If a wine's life-span can be shown as a triangle, the length of the base line and still more the length and gradient of the ascending side will depend very much on first, the type of wine, and secondly the character of the particular vintage. Claret normally takes longer to rise to its peak than burgundy, partly because the black grapes employed in Bordeaux are *more* tannic than those in Burgundy; and the climate is different. A fine Rhône, such as a '61 Hermitage, will develop slowly, for the wines are powerful and need *time to soften their somewhat* aggressive asperities. Ten years is the traditional maturing time to allot to a fine claret, but this is a very rough guide and provides no clue to its longevity. It is said to have taken 50 years for the hard 1870s to reach their peak, but they can still be very good. *Yet so may be the "light"* 1875s thought to have reached their prime in the Nineties.

Such old wines can rarely come one's way here in Britain to-day, but only a few weeks ago my host at dinner, after producing a line of a single château's clarets culminating in an excellent '59, asked, "would you like another bottle of claret?" *On such an occasion* few say no, and I am not one of them. When, a few minutes later, the decanter was circulated, the wine had an excellent colour, and when sampled the nose was excellent and the flavour fruity, albeit with slight hardness. Assuming that "no gentleman ever goes back," I essayed guesses of two fine but rather hard vintages: '52 and '45. In fact the wine was Ch. Giscours 1890, bottled in Bordeaux, as the branded cork barely revealed. It was a splendid wine, in full possession *of all its faculties. This was not* the first fine old claret that had seemed to me 50 years younger than it was, and I could give other examples; but other people's fine bottles are very *boring to non-participants.*

Less tannin

Burgundy tends to keep less well than claret, partly owing to less tannin, but it can last a great deal better than often claimed these days. Much depends on how the wine was made. There is no doubt that in response to commercial pressures combined with a lack of older vintages, many Côte d'Or growers have been producing wines for early consumption; but they lack colour, body and stuffing.

It is not, as some have been encouraged to believe, just a matter of "old" or "new" methods of vinification, though this can be a factor. The justly reputable firm of Louis Latour has employed a fairly brief fermentation since the early days of this century, yet in Beaune last November I drank a bottle of M. Latour's Corton Grancey 1923 that was full of colour, fruit and body and had a delicious aroma. One would have guessed it much younger; but 1923 was an outstanding burgundy vintage probably not equalled since. However any burgundy of a good vintage should last at least 10 years before reaching its peak, and will probably keep another 10. One thinks of such vintages as '55, '59, '61, '66 and '69.

Most fine wine, after reaching maturity, remains on a plateau before descending slowly [...] gradually. The descending [...] of the triangle is usually [...] and more gradually incline[d ...] the ascending one. That [...] not necessarily imply th[at ...] wine will improve after [...] ing a certain point of ma[...] An initially tough-tasting [...] may never soften comp[...] Examples of this were t[he ...] Médocs, very tannic wines, [...] the '53s were much light[er ...] became agreeable after as [...] five years. To-day, while [...] of these are still exc[...] though certainly showing [...] age, the '52s generally r[...] *rather hard,* dumb wines [...] some are losing their fru[it ...] their battle with the [...] Some believe this will b[...] with many of the hard, [...] fine, '45s, though Baron P[...] de Rothschild confidentl[y pre]dicts that his Mouton-Rot[hschild] '45 will certainly last un[til the] year 2000. So far, he se[ems to] be right!

An essential element [in the] keeping of any bottle of [...] the cork. To last in good [condi]tion a bottle of wine must [...] reasonably full, *for* if [...] ullaged it means that the [...] got in. A bottle whose c[...] are any distance belo[w the] bottom of the neck or wel[l down] the slope of a burgund[y] bottle is unlikely to be [...] preserved as a fuller one.

Then a wine kept in [a cool] cellar is likely to last long[er than] one in a warm or varyi[ng tem]perature place. A [much-]travelled Bordeaux m[...] once told me that th[e best] domestic places to keep [wine] were in England and B[...] because it was mostly [...] cellars, whereas in Bord[eaux it] was usually above grou[nd ...] *might have included* S[...] For one reason, surely, wh[y some] of the old wines "unearth[ed" in] recent years by Christie['s have] been so fine, is that the[y came] from cool, deep old [cellars,] notably in Scotland.

To sum up, most fine re[d ...] last longer than often b[...] How long one keeps it is [...] matter. As every vintage [...] great wine areas differs f[rom ...] others, one can replace [...] but not a vintage. So the [...] incentive to keep olde[r ...] which are still in splen[did con]dition and unlikely sudd[enly to] plummet. Moreover, it [...] claiming too much to say [...] drinking an old wine—e[...] from 25 of years of age [...] wards—there is a certai[n intel]lectual as well as a [...] pleasure; and this rema[ins ...] even if the bottle in p[...] turns out to be slightly [...] the top." To make the op[ening of] old bottles a matter of s[...] is to be deplored, but as [a] point of discussion it [...] both enjoyable and educ[...]

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University. 9.38 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Bod. 2.00 You and Me. †2.15 For Schools, Colleges. 3.30 Ar 'Ben Ei Hun. 3.58 Regional News (except London). 4.00 Play School. 4.25 *Crystal Tipps and Alistair.* 4.30 Jackanory. 4.45 Goober and the Ghost Chasers. 5.05 John Craven's Newsround. 5.15 Vision On. 5.40 Ivor the Engine.
5.45 News.
6.00 Nationwide.
6.40 See below for regional variations.
7.10 Bugs Bunny.
7.20 The Ellery Queen Whodunit.
8.10 Warship.
9.00 News.
9.25 Play for To-day.
10.50 To-night.
11.25 Play Sport.
11.50 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—4.45-5.15 p.m. Kizzy. 6.00-6.40 Wales To-day. 6.40-7.05 Heddiw. 7.05-7.35 The Triple Crown. 7.35-7.45 Bugs Bunny. 7.45-8.10 Tomorrow's World. 11.50 News and Weather for Wales.

Scotland—6.00-6.40 p.m. Reporting Scotland. 6.40-7.10 'Se 'Ur Beatha. 11.25-11.55 Who Are The Scots? 11.55 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.40 Scene Around Six. 6.40-7.10 County Mixture. 11.50 Northern Ireland News Headlines.

England—6.00-6.40 p.m. Look *North (from Leeds, Manchester,* Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 6.40-7.10 London: Nationwide On The Road; North (from Leeds) Top Town; North West (from Manchester) According To O'Connor; North East (from Newcastle) Troubador; Midlands (from Birmingham) Major Minor; West (from Bristol) Points West Part Two; South West (from Plymouth) Peninsula Platform; South (from Southampton) Spitfire!; East (from Norwich) Spot On!

BBC 2

6.40 a.m. Open University.
11.00 Play School.
2.30 p.m. Peter Donaldson's Illustrated Economics.
3.00 All In The Mind.
†3.30 Film As Evidence.
5.00 Open University.
7.05 Ensemble.
7.30 Newsday.
7.45 The Book Programme.
8.10 Pro-Celebrity Golf.
9.00 One Man And His Dog.
9.25 The Man Alive Report.
10.15 The Old Grey Whistle Test.
10.55 Newsnight.
11.30 Closedown: Julian Glover reads "Creators in Vienna," by Elizabeth Jennings.

LONDON

9.30 a.m. Schools Programmes. 12.00 Stuff and Nonsense. 12.10 p.m. Hickory House. 12.30 Trash or Treasure. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 3.00 Village Hall. 3.55 General Hospital. 4.25 Runaround. 4.50 Magpie. 5.20 Nanny And The Professor.
5.50 News from ITN.
6.00 To-day.
6.45 Crossroads.
7.10 Tuesday Mystery Movie: McMilland and Wife.
9.00 Rock Follies.
10.00 News.
10.30 The Master's Foot.
11.20 Kitchen Garden.
11.55 We Matter.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon Time. 7.15 The Tuesday Movie: "Queen of the Stardust Ballroom," starring Maureen Stapleton. 11.25 The Collaborators. 12.20 a.m. Reflection.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Spiderman. 6.00 ATV Today including Police Five. 7.00 Cartoon Time. 7.15 The Tuesday Movie: "House of Bamboo," starring Robert Ryan. 11.25 Angling Today.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 Candid Camera Classics. 6.00 Border News and Lookaround. 7.00 Look Who's Talking. 7.30 Cartoon Time. 7.35 Mystery Movie: "Rolling Man." †11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Curtain Raiser. 7.10 TV Movie: "The Impatient Heart." 1.25 Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 The Brady Bunch. 6.00 Grampian Today. 6.10 The Flintstones. 7.00 Sale of the Century. 7.30 The Tuesday Comedy: "Honeymoon Hotel." 11.55 Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 5.15 Stamp Stories. 5.20 Crossroads. 6.00 Granada Reports. 6.40 The Persuaders. 7.35 Suspense Movie: "Banacek." 11.25 Boney.

HTV

12.30 p.m. My Name is Alan Price. 1.20 *Report West Headlines.* 1.25 *Report Wales Headlines.* 2.00 Houseparty. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.20 Report Wales. 6.40 Mr. and Mrs. 7.10 The Tuesday Mystery Movie: "McCloud."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau *Newyddion y Dydd. 4.25-4.50* Fyny Fan'na. 6.01-6.20 Y Dydd. 10.30-11.15 Y Sefydliadau. 11.15-11.30 O'r Wasg. 11.30-12.00 World in Action.

HTV West—As HTV General Service except—1.20-1.30 p.m. Report West Headlines. 6.20-6.40 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 The Bark Family. 5.25 Crossroads. 6.00 Scotland Today. 6.30 University Challenge. 7.00 Love American Style. †7.15 The Tuesday Movie: "Drum Crazy," starring Sal Mineo. 11.25 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 The Man From U.N.C.L.E. (TV Movie). 11.30 Southern News Extra. 1.35 Police Surgeon.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30 Love American Style. 5.20 Emmerdale Farm. 6.00 Today at Six. 7.00 Cartoon Time and Betty Boop. 7.15 The Tuesday Film: "A Woman for Charlie." †11.25 The Greatest Fights of the Century (Tunney v. Heeney). 11.35 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 Beachcombers. 6.00 UTV Reports. 7.00 The Ghost and Mrs. Muir. 7.30 Tuesday Movie: "The Girls of Pleasure Island," starring Leo Genn. 11.25 The UTV Profile.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Curtain Raiser. 7.10 TV Movie: "The Impatient Heart." 11.25 Westward Late News. 11.28 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Mr. and Mrs. 5.20 Emmerdale Farm. 6.00 Calendar. 7.00 Cartoon Time. 7.15 The Tuesday Film: "A Woman for Charlie." 11.25 Night Gallery.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Simon Bates. *9.00 Tony Blackburn. 12.00 Johnnie Walker* including this week's Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Robin Richmond: The Organist Entertains (S). 8.02 Ian Carmichael's Music Night (S). 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 The American Showman (S). 11.02 Colin Berry with The Late Show (1500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

†Medium wave only.

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Debussy (S). 9.45 Academy of the BBC (S). 10.45 Schubert piano recital (S). 11.25 The Nordic String Quartet (S). [...] Arts Worldwide. 1.20 Cardiff Mid-day Prom, part 2: Dvorak (S). 2.05 Music in Our Time (S). 3.00 Berlin Philharmonic Wind Ensemble (S). 3.50 In Repertory (S). 4.55 Jazz To-day (S). 5.25 Pied Piper (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (contd.). †6.30 Lifelines: Work and Training. 7.30 BBC Northern Symphony Orchestra, part 1: Brahms (S). 8.30 The Power of the Beast. 8.50 Concert, part 2: Dvorak, *Rimsky-Korsakov* (S). 9.35 Drama Now (S). 10.25 Hugo Wolf song recital (S). 10.55 Jazz in Britain: Don Rendell Five (S). 11.25-11.30 News.

Radio 3 VHF only—6.20-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 To-day including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.0 News and more of To-day including 7.27 Sportsdesk, 7.35 To-day's Papers, 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.0 News and more of To-day including 8.27 Sportsdesk and 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.0 News. 9.5 Tuesday Call (from 9.20). †10.0 News. †10.5 From Our Own Correspondent. 10.30 Daily *Service. †10.45 Morning Story.* †11.0 News. †11.5 Down Your Way. †11.45 James Cameron. 12.00 News. 12.2 p.m. You And Yours. 12.27 Just a Minute. †12.55 Weather, programme news VHF (except London and SE) Regional News. 1.0 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.0) including 2.0-2.2 News. 2.45 Listen With Mother. 3.0 News. 3.5 [...] Time. 5.0 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.0 News. 6.15 My Music (S). 6.45 The Archers. 7.0 News Desk. 7.30 BBC Northern Symphony Orchestra part 1 (as Radio 3) (S). 8.10 The Power of the Beast (as Radio 3). 8.30 Concert part 2 (as Radio 3) (S). 9.35 Kaleidoscope. 9.59 Weather. 10.0 The World Tonight. 10.45 A Book at Bedtime. 11.0 The Financial World Tonight. 11.15 To-day in *Parliament. 11.30 News.*

For Schools (VHF only) 9.20 a.m.-12.0 and 2.0-3.0 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town (as 11.03 a.m.). 8.00 Holiday Scene. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M.": breakfast-time show. 10.00 Brian Hayes: talking to London. 1.00 p.m. Newswatch. *3.00 Newsbreak.* 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch: news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. [...]

F.T. CROSSWORD PUZZLE No. 3,013

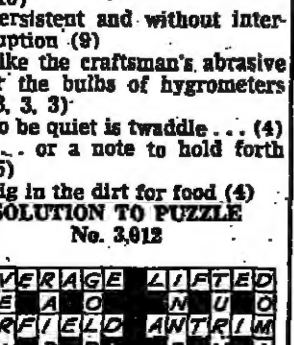
ACROSS

1 Pump gas for a source of heat (6)
4 Renovated or rested outside (8)
10 Manipulate, or get mice using simple figures (9)
11 Joint left is halfway down (5)
12 Urging successfully—it's customary on top (10, 4)
14 Incorporated as Indians (5)
16 Troublemaker takes bet about doctor in navy (9)
17 Artificially-made tin scythe? (9)
18 Cornish birds at heart (5)
19 Losing one's opportunity—to get abroad? (7, 3, 4)
23 There's nothing in the trick to disturb (5)
24 Furious and beyond hope—it's extremely bad (9)
25 A sweet target (5-3)
26 Expresses willingness in essays (6)

DOWN

1 Chief minister is drunk going to club (4, 6)
2 One left one on his own (5)
3 Old rectifiers—the very thing that's wanted (3, 4, 8)
5 An odd fellow—a mechanical type? (9)
6 Volunteer to accept responsibility (4, 4, 7)
7 It's instrumental and concerning editor with means of communication (4-5)
8 Died wrongfully taking condiment . . . (4)
9 . . . or a bit of leek through the mouth (4)
13 Peevish elders found on masts (10)
15 Persistent and without interruption (9)
16 Like the craftsman's abrasive or the bulbs of hygrometers (3, 3, 3)
20 To be quiet is twaddle . . . (4)
21 . . . or a note to hold forth (5)
22 Dig in the dirt for food (4)

SOLUTION TO PUZZLE No. 3,012



ENTERTAINMENT GUIDE

OPERA & BALLET

COCHRANE THEATRE. 242 7040. Evenings 7.45 until Sat. Feb. 28. BALLET RAMBERT in COLLABORATION THREE. Workshop Season. Three Programmes. 10 New Ballets. Seats 80p.

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA. Tonight 5.30 The Valkyrie. Tomor. & Fri. 7.30 Tosca. [...]

COVENT GARDEN. [...] THE ROYAL OPERA [...] THE ROYAL BALLET [...]

SADLER'S WELLS [...] 837 1672 [...]

THEATRES

ADELPHI THEATRE. [...] VIRGINIA McKENNA [...] A LITTLE NIGHT MUSIC [...]

ALBERY. [...]

ALDWYCH. [...]

AMBASSADORS. [...]

APOLLO THEATRE. [...]

ARTS THEATRE. [...]

CAMBRIDGE. [...]

CASINO THEATRE. [...]

COMEDY. [...]

CRITERION. [...]

DRURY LANE. [...]

DUCHESS. [...]

DUKE OF YORK'S. [...] LESLIE PHILLIPS [...]

FORTUNE. [...]

GARRICK. 01-836 4601. Evgs. 8.15. Mat. Wed. 3.00. Sat. 5.00 and 8.40. RICHARD BRIERS "Marvellous." Gdn. ABSENT FRIENDS. "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY," H. Hobson, S. Times.

GLOBE. 01-437 1592. Evenings 7.30. Matinee Wed., Sat. 3.0. JUDI DENCH. IAN McKELLEN [...]

[...]

SAVOY. 836 8888. Evenings [...] Mats. Wed. at 2.30 and [...] Barbara MULLEN and Derek [...] in AGATHA CHRISTIE'S MURDER AT THE VICARAGE [...]

SHAFTESBURY THEATRE. [...] ARTHUR LOWE, JOHN LE MESURIER, CLIVE [...] DAD'S ARMY [...]

[...]

CINEMAS

[...]

CINEMAS ARE CONTINUED ON PAGE 24

هكذا اصبه الأصل

Festival Hall

German Requiem

by RONALD CRICHTON

Lorin Maazel being ill, his place at the head of the New Philharmonia Chorus and Orchestra is being temporarily taken by Fritz Rieger, the Bohemian-born conductor from Munich. He will accompany choir and orchestra on their forthcoming visit to Barcelona to perform the German Requiem of Brahms (given on Sunday in the Festival Hall) and the Missa solemnis of Beethoven.

On occasional appearances in London, Mr. Rieger has given the impression of a capable, serious German conductor more concerned with the music than with cutting a dash on the podium. Perhaps he has not had long enough to establish full rapport with the New Philharmonia Chorus, which sang last night with the full-hearted commitment one expects but something less than the customary all-through brilliance of tone, and much less than the normal capacity for dynamic shading—almost invariably their fortes went straight to fortissimo and stayed there.

The best movements were the fifth, where the soprano soloist, Ileana Cortubas, lent some of her radiance to the rest, and the sixth, where the march rhythm at the opening was free of the flat-footedness and over-emphasis that dogged the other, triple-time march in "Denn alles Fleisch es ist wie Gras" earlier on. There was vigour as well as loudness in Brahms's vision of what the Germans call the Last Trombone. In the sixth movement, also, the baritone Bernd Weikl sounded happier than in his first solo. The orchestra had some fine moments, including the high, soft wind chords that so often cause pain. But the whole performance needs polish before it is offered abroad.

*

In the Elizabeth Hall on Saturday evening the London Bach Society under Paul Steinitz performed two of the cantatas, an early Mozart Mass, and Stanley Glasser's choral entertainment *The Chameleon and the Lizard*. This work (first performed 1971) is welcome and indeed admirable as a collaboration between a white South African musician and a Zulu writer, Lewis Nkosi. It was fun to hear Bach singers clapping out Zulu rhythms and getting their tongues round Zulu words, but the musical results were mildly disappointing — the materials were there but nothing much happened. It may be unfashionable to say so, but Orffian primitivism is harder than it looks.

The Cantatas were No. 126 ("Erhalt'uns, Herr, bei deinem Wort") and No. 181 ("Leichtgesinnte Flattergeister"). Both show Bach in unusual moods, the first vengeful, the second scathing. Full of interest: in 126, a duet for alto and tenor which is half choral, half recitative, and a bass aria with extraordinary rumbling accompaniment for the continuo; in 181, a splendid final chorus done with such lightness and rightness that one could forget tone of less than crystal clarity. The C minor Mass of Mozart (not the famous one, but K.139, written when he was "about 13") is worth hearing as a precocious curiosity, not much more. The soloists in Bach and Mozart were Wendy Eathorne, Paul Esswood, Ian Partridge, Ian Caddy.

Traverse Theatre, Edinburgh

The Gay Gorbals

by MICHAEL COVENEY

Good gracious, Hector MacMillan's new play is about an attempt to take over a church hall for the social convenience of homosexuals. There, in the bald idea, ends not only similarity to Joe Orton but everything else as well. How new the play may or may not be, I've no idea, but it seems stale beyond belief to give stage time to hopelessly unfunny caricatures of hippy Jesus freaks, policemen jiving to "Jail House Rock," and a slimy bureaucrat pontificating on the quality of life.

The church hall is also invaded by an aggressive pop group, whose leader demands salvation *now*. For life is hard and unpleasant in the Gorbals and the people there are straining to be free. Crikey! The prospective club owner wants to create an alternative Gorbals image to all that nasty Marxism. But, he tells us, blackmail is the main drawback to being a homosexual. Phew! Just image being poor, queer *and* Marxist. Life in Glasgow could be hell.

In the second act, the bureaucrat and the policemen make oafish comments during an educational slide film about the proportion of homosexuals in society. This episode is so tritely inept as to be offensive, and it astonishes me that the Traverse and its new director, Chris Parr, have the gall to be associated with it. The play ends with a Provost of Glasgow revealing himself as a raving queen with such leaden lines as "There's a link between permissiveness and productivity." Not only leaden, but senseless. And, what is worse, it goes uncontradicted. Only Roy Hanlon as the bureaucrat, Jennifer Lee as the policewoman and Ronnie Letham as a tough pop singer give remotely interesting performances. But they are dealing in dross, and the production is as square and old-fashioned as the play deserves.

Leonard Burt

Robin Bailey and Sheila Steafel in 'You'll never be Michelangelo,' the new comedy by Roger Milner that opened at the Hampstead Theatre last night

Albert Hall

ECO marathon

by MAX LOPPERT

The English Chamber Orchestra's Sunday evening concert lasted, with an interval, some three hours. Its stars were Isaac Stern as soloist, Alexander Schneider as conductor, and Mozart, who provided two violin concertos, two short violin-and-orchestra movements, two marches and six German dances. Supporting roles were taken by Bach (two concertos) and Schubert (a symphony and five German dances). It was an evening that promoted many individual pleasures and, towards its end, a feeling of athletic exhaustion, as though to prove that of Mies van der Rohe's dictum the reverse, "More is less," is equally true.

In his opening performance, of Bach's A minor Concerto, Mr. Stern was not hitting every note squarely on its centre. But by the first of the Mozart concertos, the G major K216, he was at his peak of geniality, communicating a spirit of elegant bravura, wit and felicity that went to the heart of the music; and by the slow movement *romanza*, the notes were coming true and poised, projected with all the ease of old. From then on Mr. Stern was on his best form throughout the evening; robust in the Bach E major, even more winning in the second Mozart, K218, and refreshingly eloquent in the two neglected miniatures at the very end, the Adagio K261 and the Rondo K373.

By this time, concentration had flagged (not, let it be said, the performers'). Earlier, there had been the German dances of both Mozart and Schubert, delicious *morceaux* taken singly, slightly heavy in bulk. Mr. Schneider had clearly not been given the chance of rehearsing them to high polish, and his stick technique was not always sure cover. But his relaxed, mellow style, spreading a warmth of tone over the ECO strings, was everywhere admirable, and in Schubert's Fifth Symphony, it drew out the enchanted lyricism of the music with a tenderness lost in such familiar high-voltage readings as, say, Colin Davis's. Fine performances all; their sum brought surfeit.

Tate Gallery

Constable—European master

by DENYS SUTTON, Editor of Apollo

Constable: The Haywain

John Constable is a painter whose works are so familiar and seem so easy to appreciate that it would be understandable to think that his was an artistic career without problems. Surely, in fact, he was a natural painter? Yet one of the merits of the distinguished bicentenary exhibition at the Tate Gallery is to make us realise that Constable underwent a difficult apprenticeship, that he was a complex artist and that his vision was only achieved after trial and error.

The exhibition itself is a most important affair, and it is no fault of the organisers that the works are seen in artificial rather than in natural light and that certain subtleties of colour are thus lost or minimised. With one or two unavoidable exceptions, all the master's main works are on view, as well as many studies, sketches and drawings.

The chronological arrangement of the show makes it possible to trace the ins-and-outs of Constable's development. It also brings out that Constable, who was born in 1776, did not paint with fluency from an early age: he did not possess for instance, the immediate lyricism of the short-lived Bonington. He was well into his twenties before his painting began to betray a truly individual touch.

The reason for the gradual character of his evolution lay in his ambition to find a method of painting that would allow him to discover the equivalent in paint of the colour he saw in nature. He realised, obviously, that to do this he could not rely on worn-out formulae and as at the start he was not a man of much self-confidence, some courage was needed before he could make a breakthrough.

The early Constable, too, must be placed against the historical background, for he grew up at a time when the dominant style was that of Neo-Classicism, when emphasis was placed on articulated line rather than on colour; to go in for colour in the way he wished to do was to run counter to the main current.

Constable never left England. Yet this exhibition substantiates that he was essentially a European artist. His themes may have been derived from his native Suffolk, but there was nothing insular in his approach. His painting is that of a man who knew Claude and the Dutch—Ruysdael and Konincks (whose influence on him is never sufficiently emphasised)—and, above all, Rubens. The English love of Rubens was a long-standing one, so that it comes as small surprise to find tribute being paid to him by Constable; both were masters who had the ability to summarise an impression of nature in rapidly executed oil sketches which catch a mood.

It was Constable's incisive reaction to nature, shown in his larger no less than his smaller paintings, that made him such a leader of European painting. *The Haywain* caused a sensation when shown in the Paris Salon of 1824. He appealed to Delacroix and Géricault, and later to Théodore Rousseau and Troyon. His method of painting had a powerful influence on the French school, though both French and English painters had a common source in the Dutch landscapists. Constable's brilliant sketches of Brighton look ahead to Boudin, his use of the palette knife has a vigour that was to be followed by Courbet, and a small picture such as *Sunset study of Hampstead Heath*, of 1821, anticipates the sort of mood painting done by Ravier and other members of the Lyons school.

If Constable had only painted sketches and cloud studies and made his drawings, he would have been a delightful artist, and one who had helped to blaze a trail, but he would not have been a great master. The summit of his achievement is shown in his "six-footers," those pictures in which his lyrical qualities, are given monumental form. One of the fascinations of the exhibition is to observe the way in which his original perception of a scene, as expressed in a drawing or small oil sketch, was expanded and transformed into these complex works of art.

The exhibition, for instance, includes the two pencil drawings, the full-size oil sketch and the finished composition of *The Leaping Horse*. The changes and complications that accompanied the progress of this majestic picture can be followed from the very full catalogue note as well as from the works themselves; the result underlines the depth of Constable's mind. How fascinating to watch a great artist at work in this way!

Constable's adherence to the European tradition may be seen in the essentially ideal nature of his painting: he observed reality and then translated his comments into works of art that synthesise his sentiments about nature. The results are idyllic masterpieces that rest for their appeal on melodious colour, striking passages of light, rich and dramatic impasto and elegantly contrived composition.

Some critics have taken Constable to task for his not painting the revolution that was taking place in the English countryside but this is absurd, for the Suffolk scene that provided his themes was not affected in this way.

It could be argued that Constable in his large-scale painting was emulating the practice of the history-painter, though, instead of taking a theme from ancient or modern history, he presented a view of his native land at a historical phase. His paintings, in fact, do provide a record of a unique period in English life, and if some thought of this may have crossed the artist's mind.

Constable's character had a severe and sarcastic strain. Visitors to the exhibition who wish to learn more about him as a man can turn to two recent books, one by John Lloyd Fraser (Hutchinson, £6.95), the other by Reg. Gadney (Thames and Hudson, £3.50), both of which place him against his family background and supply details of his long courtship with the charming Maria Bicknell, his friendship with the Fishers and the sorrow that overcame him after the death of his wife. Both authors make excellent use of the artist's correspondence which was assembled by the late R. B. Beckett, who did so much to further Constable studies.

An original contribution to knowledge about Constable is provided by *Constable and his country* by Alaster Smart and Attfield Brooks (Paul Elek, 6.50). The second of the authors provides an intriguing account of the topography of Constable's country and the photographs of some of the places painted by the master may well inspire the reader with the wish to set off for a tramp and see them for himself. Mr. Brooks made the valuable point that while in his major paintings Constable always had an actual scene in mind, "topographical accuracy was not necessarily such an important matter to him as it seems to have been in his earlier work."

Prof. Smart in his section of the volume rightly draws attention to Constable's relationship to the European tradition and subjects a number of familiar pictures to attentive and rewarding analysis. His account of the evolution of Constable's intricate art shows how the master came to establish a "satisfactory balance between the potential conflicting claims of Nature and Art." Prof. Smart, indeed, has made a major contribution to the study of the artist.

Although a late painting such as *Hadleigh Castle* has a touch of pessimism about it—it is one of Constable's most "romantic" works—most of his paintings are radiant with happiness and with pleasure in experience recollected, and none more so than the astonishing *Waterloo Bridge from Whitehall Stairs*, which took him many years to complete. It is a masterpiece of technical dexterity, foreshadowing both Impressionism and the painting of Mancini. Constable, who died in 1837, lived at a time when Britain was a leading world power, and his painting matched the spirit of the nation's position.

L. S. Lowry

L. S. Lowry died yesterday in hospital at Glossop, near Manchester. He collapsed last week with a stroke. He was 88. William Packer writes:

L. S. Lowry was a better painter than many would allow, but difficult to classify. Every age throws up sports like him, and whether their qualities are recognised or ignored hangs on chance. Lowry's misfortune was to be treated first as a joke, and then feted and patronised as much for the accidents of his biography as for his work. The Tate's major retrospective exhibition ten years ago, however, and several other shows since, have helped to put the record straight at last.

Lowry received an orthodox art school training, but the crucial developments came later: the discovery of a genuine source of inspiration, and the evolution of a technique that allowed him to treat it appropriately. He adopted a direct and simple handling of paint, and deliberately crude, even grotesque imagery. And this sophisticated move, from academic orthodoxy into an highly idiosyncratic form of expressionism, was achieved by 1920. Though it belied his provincial isolation, it secured him the label of Primitive which clouded the issue for so long.

His finest works, the archetypal industrial landscapes and street scenes he painted before the last War, possess a sombre intensity and a control that put them with the best English painting of their time.

Angela Baddeley

Miss Angela Baddeley, the actress, died on Sunday at the age of 71.

Angela Baddeley's first appearance was at the Old Vic in 1915, when she was 11. Her serious work began five years later under Nigel Playfair's management at Hammersmith. By the end of the '20s she was a well established actress, and she matured gracefully through a series of parts, from Mary Rose and Lady Teazle, through Natasha in *Three Sisters*, Miss Prue in a very successful *Love for Love*, Mrs. Hardcastle in *She Stoops to Conquer*, until she had reached the point of Mistress Page and Juliet's Nurse.

Her most recent parts have been Madame Armfeldt in *A Little Night Music*, which she took over from Hermione Gingold, and the cook in *Upstairs, Downstairs* on television.

Elizabeth Hall

Perlman

by PAUL GRIFFITHS

Perhaps nothing more than the works for solo strings brings one nearer to Bach in the whole: the master pattern-maker and the genius of the intensely expressive harmonic twist, the comprehensive knower of instruments and the brilliant exponent. Each of Bach's faculties seems to exist with an extra presence when his music is heard from the hands of a single player, without mechanical aid. It may be no more than that: a question of human contact.

This quality was, sad to report, straitened and limited in Itzhak Perlman's solo violin recital on Sunday, when he played the first and third of the sonatas and the first partita (the remaining three works form his programme for next Sunday). The grand displays of structural delight and ingenuity—above all, the fugues from the two sonatas—were played too much with an eye to their stature as monuments of artifice. A splendid purity was the result of this approach, but also a chilly distance. Even when Perlman was unravelling the knottiest counterpoints, making the awkward chords gracious and pleasing, his seemingly easy skill kept one at a firm remove.

Bach's difficulties need surely to be heard as such for their concomitant expressive qualities to be felt at full depth. There must be more sense of a physical tugging of music from the instrument, of the snag of hair on gut (or even steel). In making light of the music's body, Perlman drew it out of reach. Of course, this treatment brought its own pleasures, and no negligible ones. Perlman's handling of polyphonic passages was miraculously smooth; he had the lines so finely shaped and so well differentiated in tone that it was hard to believe all was sounding from under one bow. But in making that comment I have come back to the charge of disembodiment.

Inevitably, the ease of Perlman's playing communicated itself as easy-goingness in the music. The fraught strains or, for example, the Largo of Sonata No. 3 were made into something genial and charming. In the Adagio of Sonata No. 1 Perlman did reveal a less comfortable streak, and that by a taut control of the rhythm which often saved him from complacency. He was at his best in the more objective Bach of the Partita No. 1, notably in a sonorous and lordly account of the Sarabande. But on the whole this was an evening of superb violin playing effacing the frowns and struggles, an evening that could have done with being less happy.

Elizabeth Hall

Thomas McIntosh

by DAVID MURRAY

The darkling prologue to Beethoven's Sonata op. 111 contains some awkward leaps, and a prudent pianist may redistribute the notes a little between the hands. On Sunday afternoon Thomas McIntosh did that, and contrived notwithstanding to score a record number of finger-slips on the first page alone. Nerves, no doubt; but later, in the 12 Transcendental Etudes of Liszt, the pianist's good intentions were compromised by literally hundreds of wrong notes—in the arpegios, in the octave dashes, in the bursts of triumphal chords. There were plenty of good things to be noticed: fine rhetorical flair in the "Eroica" study, rich, controlled sonorities in "Harmonies du soir," resilience and energy in "Wilde Jagd." But there is no getting round the fact that what must justify playing the Transcendental Etudes is transcendental playing: the music cannot afford to be mossy with unwanted gracenotes.

As for the Beethoven, McIntosh's reading was thoughtful enough without suggesting any special commitment to the piece. The repeat of the exposition shed no new light on it, and that whole first movement lacked the dramatic tension upon which, retrospectively, the Arietta can become timelessly airborne. Instead it remained placidly becalmed, and bumped down with a misjudged rallentando at the end.

McIntosh's most convincingly sensitive playing came in Stephen Dodgson's new piano sonata. It is in two spidery, clean-lined movements, the second of which eventually picks up and elaborates material from the first. Some decidedly Messiaen-ic chord sequences recall a composer with a stronger personality, but in its loose-limbed way the sonata sustains its own slightly evasive manner well. Here McIntosh was delicate and precise: I should have liked a more forthright attack at the start of the Spiritoso movement, but that's a quibble. McIntosh sounds capable of more quibble-proof days without unlucky nerves.

WORLD TRADE NEWS

Kuwait plans £160m. tanker fleet

By John Wyles, Shipping Correspondent

KUWAIT National Petroleum Company (KNPC) is to add to the proliferation of Arab shipping fleets by buying up to eight products carriers in the next 12 months to transport output from its Shuaiba refinery.

This will be KNPC's first venture into ship ownership and its fleet development is being masterminded by Mr. Robert Greig, a senior manager with Cunard until last September.

Details of the shipping project were revealed to the Financial Times in Kuwait last week by the company's deputy managing director Mr. Khalif Ahmed Al-Khalaf. Subject to the findings of a feasibility study now near completion, Mr. Al-Khalaf said that KNPC's overall aim was to carry around 60 per cent. of its refinery output in its own vessels.

At the moment KNPC has 18 ships on charter ranging in capacity from 20,000 deadweight tons to 85,000 dwt. These serve markets East of Suez, in Japan, Europe and the U.S.

It is not yet clear how many of the eight products carriers KNPC is set to buy this year will be acquired from the second hand market and how many will be new buildings. Around £160m. has been set aside

The potential size of KNPC's fleet of products tankers could be increased if the Kuwait Government decides to develop a 20-year-old refinery at Mena Al-Ahmede. A 40 per cent. BP-Gulf holding in this refinery was acquired by the Kuwaitis last November.

In agreeing in principle to a KNPC products carrier fleet, the Kuwait Government may be disappointing some Pan-Arabists. The Arab Maritime Petroleum Tanker Company, owned by nine Gulf states including Kuwait, intends to operate products carriers and it is unlikely to be able now to base any development plans on transporting output from Kuwaiti refineries.

Iraq puts tight curbs on agents

By Margaret Hughes

THE Government of Iraq has introduced new legislation controlling agents or intermediaries used to conclude contracts with Iraqi Government departments and public sector establishments. The punishments for contravention are severe.

In future anyone wishing to carry out business in Iraq as an agent or intermediary will have to register with the Directorate General of Registration and Control of Companies. Government Ministers may also forbid any commercial transaction, with any party, through intermediaries or agents.

Companies found contravening the new regulations by using an unregistered agent will be placed on a "black list" and Government departments and the public sector will be forbidden to deal with them.

Agent or intermediaries contravening the regulations face jail sentences for "a specified period or for life." Where the agent is a legal entity this would be dissolved and its assets liquidated. They may also be fined not less than Iraqi Dinars 10,000.

Officials in public service who "knowingly" act as agents or influence the placing of contracts or the choice of a tender for a fee or any other material benefit, face still harsher punishment — death or life imprisonment.

The Iraqi Government is understood to have introduced the new legislation in an attempt to provide a guarantee against corruption. With the widening of commercial trading relations which has taken place under the current Five Year Plan there has obviously been a corresponding increase in the number of agents and intermediaries. This inevitably increases the opportunity for bribes and other illegal practices which the present government is anxious not to be associated with. The punishments are thought to be justified on the grounds that they need to be severe if corruption (which is on the increase) is to be prevented.

ITC urges higher tariffs on U.S. shoe imports

BY GUY DE JONQUIERES

NEW YORK, Feb. 23.

THE U.S. International Trade Commission has found that imports of non-rubber footwear have been causing injury to the American shoe industry and have recommended to President Ford that higher tariffs be imposed.

The Commission's finding of injury was unanimous and was made in response to a petition filed last August by the American *Footwear Industries Association*, a manufacturers' trade group, and the two main shoe-workers' unions.

The Commission rejected an industry demand for import quotas on shoes. Instead, its members recommended several alternative measures, the most severe of which would place tariffs of up to 35 per cent. on shoe imports, with a 3 per cent. reduction in each of the following five years.

Another proposal was for a tariff of 40 per cent. on all shoe imports exceeding the 1974 level, while a third recommendation called for the granting of adjustment assistance to the industry and its workers.

President Ford has 60 days in which to choose whether to accept, reject or modify the Commission's recommendations. If he rejects them, Congress can override his decision by a majority vote in each House within 90 days.

The Commission's recommendation has been strongly attacked by the Volume Footwear Retailers of America, a retail trade group. It said that import restrictions would be "ridiculous" at a time when the U.S. footwear industry is striving to catch up with a major backlog of orders.

According to the trade commission, imports of shoes more than doubled between 1970, when they amounted to $560m., or 30 per cent. of total U.S. sales by volume, and 1975, when they were worth about $1.0bn., or 40 per cent. of unit sales.

In 1974, the last year for which complete figures are available, the biggest exporter to the U.S. was Italy, with exports worth $324m. Next came Spain with exports worth $193m., Taiwan ($129m.), Brazil ($89m.) and France ($24m.). Exports from Britain totalled only $9m.

World Car Markets

Japanese producers want easier testing for importers

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Feb. 23.

THE JAPAN Automobile Manufacturer's Association (JAMA) has asked the Transport Ministry to be more lenient in the testing of foreign cars for conformity to the newly introduced emission control regulations, in order to head off possible retaliation against Japanese cars in other countries.

JAMA said this afternoon that the appeal to MITI was not a "formal" one but officials at the Ministry confirmed that it was being studied. JAMA apparently would like the Government to simplify inspection procedures for foreign cars so that more cars can pass the test by the end of next month when the new regulations come into force for imported models.

It would also like the Ministry to be less exacting in its demands for certification of the date of manufacture of foreign cars. This is important because the Government is expected to allow cars not conforming to the emission controls to enter Japan after April last provided it can be convinced that the manufacturing process was complete before the March 31 deadline. The question of how to furnish proof of this has been causing headaches for some European car manufacturers.

Figures currently available suggest that about 40 models of imported cars have so far passed the new emission control tests, while 60 more are still trying to get through. A further 50 models among the total of 150 or so exported to Japan are not being submitted to the test because it is felt they have no chance of passing it and the manufacturers concerned have decided that the necessary modifications would be too expensive. The British Leyland Mini is among models not competing for approval under the emission controls.

British Leyland's Tokyo dealer, Shintokyo Motors, said to-day it was "expecting" to get its Jaguar models through the tests "by the end of March" while Cornes and Company, the agent for Rolls-Royce, said their cars had passed the technical parts of the test and now had to complete only the paper work stage. Chrysler, on the other hand, acknowledges that it has had problems in dealing with the technical aspects of the test, though not with the emission control as such.

The more difficult challenge has been to pass the "heat damage" test which requires that emission control devices installed under a car body should not cause grass fires or endanger the car's occupants. The Japanese Ministry of Transport has stringent regulations about the type of heat shield to be installed for this purpose and about warning devices. Chrysler said to-day it thought there was a difference "of philosophy" between itself and the Ministry of Transport inspectors but denied any suspicion that the Ministry was deliberately trying to keep its cars out of Japan. The company also said that the time allowed to satisfy the Japanese requirements had been very short given that they differ from those in force anywhere else. Foreign car manufacturers first "became aware" of the heat damage test requirements last May, Chrysler said.

GM leads in Australia but Japanese push ahead

BY KENNETH RANDALL

CANBERRA, Feb. 23.

GENERAL MOTORS - Holden's regained its traditional leading place in the Australian car market in December after slipping into second place to Ford during November. Holden Cars had 24.2 per cent. of the market in December (23.9 per cent. in November) against Ford's 22.9 per cent. (25.3 per cent.).

But the major Japanese car makers, collectively, captured 31.7 per cent. of the market compared with 30.7 per cent. in November. In December 1974, the Japanese manufacturers captured 30.4 per cent. of the Australian market.

In the latest official statistics, released to-day, Toyota pushed its market share up from 11.8 per cent. to 12.6 per cent., the best figure since September. Chrysler rose from nine per cent. to 10.1 per cent., its best since August. There were no significant changes in the rest of the market, with Datsun, Honda and Volvo showing marginal gains, Leyland static and Mazda recording a marginal decrease.

The January figure for car imports according to the latest statistics, was the highest since February last year, at 9,101. All supplying countries, except Sweden, increased their exports but, under the quota system imposed a year ago, imports for the first seven months of the financial year are 54 per cent. lower than those for the corresponding period of 1974-75.

The quotas, originally set for one year, have been extended to the end of next month, pending a review of motor vehicle industry policy by the new Government elected in December.

£71m. rise in Dubai contract

BY QUENTIN GUIRDHAM

AGREEMENT FOR A £71m. increase in the total value of the Dubai Drydock contract, in which Costain and Taylor Woodrow are involved in a joint venture, was signed in Dubai on Saturday, Costain said yesterday.

The increase takes the total value of the contract to £162m. and is accounted for by the wider scope of repair and maintenance facilities which, it is claimed, will make the Dubai Drydock among the largest and most modern ship repair complexes in the world.

In addition to the finance already provided for the project, Morgan Grenfell and Lazard Brothers have arranged an ECGD-backed loan of £35.6m. and a Eurodollar loan of $150m.

The complex comprises three drydocks for the repair of tankers of up to 1m. d.w.t. Since early 1974, work has progressed to the point where the 4,000 metres of breakwater are complete. Completion is due in January, 1979.

The Costain-Taylor Woodrow joint venture has also been appointed contractor for the construction of an £85m. extension to Port Rashid in Dubai.

Coup moves hit Nigerian trade

BY JAMES BUXTON

THE CONTINUED closure of Nigerian airports and frontiers, 11 days after the abortive coup attempt on February 13, is causing serious disruption to commerce with Nigeria. Yesterday, the Nigerian High Commission in London said that it was hoped to open the airports and borders within the next few days, but no date was given.

The main cause of the continued closure, so many days after the situation following the coup calmed down, is thought to be the continued search for Colonel B. S. Dimka, the coup leader. There have been fears that he would try to leave the country.

The closure of the airports has caused a pile-up of mail for Nigeria with the Post Office appealing to people not to post letters. It is causing a fast-growing backlog of business for companies both in Britain and Nigeria. However, telex and telephone lines are open.

If the closure remains in force much longer important documents needed for clearing ship-borne cargoes now arriving from Britain in Nigeria will not arrive in time, causing serious delays to shipping.

Although the ports are officially closed, in practice ships are able to unload cargoes. But unloading is restricted by the curfew (limited yesterday to Lagos where it is in force from 10 p.m. to 6 a.m.). This is causing delays to shipping, including the UKWAL conference ships which have priority berths. Shipping schedules have had to be revised.

One company, BFI, which runs a roll-on roll-off service to West Africa using the port of Tema in Ghana, has had some of its lorries trapped inside Nigeria since the coup attempt and is having to delay its next sailings by three weeks. It reports that shippers are hesitant in despatching cargoes to Nigeria while the present uncertainty remains.

Cut in Brazil deficit hope

BY HUGH O'SHAUGHNESSY

BRAZIL HOPES to cut its current account deficit this year by a third, to $4.6bn. from the figure of $6.9bn. registered last year, according to Sr. Angelo Calmon de Sá, chairman of the Banco do Brasil.

Imports in 1976 should, he said, not rise above $10.8bn. against exports of $10bn. A deficit on the trade account of $800m., would compare with a deficit of $3.5bn. in 1975 and $4.6bn. in 1974.

The invisible's account would, Sr Calmon de Sá forecast, be in the red to the extent of $3.8bn. against $3.4bn. last year. The total balance of payments deficit would come to $4.6bn., to be covered by inflows of loans and other capital.

The trade performance in January showed that exports totalled $450m. down 66 per cent. from the figure for January 1975 and about $150m. short of what had been expected.

Imports totalled $993.4m., up 22 per cent. from the same month of last year. The disappointing export figures are attributed to falling receipts for sugar.

Meanwhile, according to AP, Brazil is hoping for a relaxation of restrictions on Brazilian exports to the U.S. in the wake of the visit to Brasilia of Dr. Henry Kissinger, the U.S. Secretary of State. At present a range of Brazilian products, particularly shoes and leather goods are the subject of punitive duties in the U.S. because of alleged dumping.

The official rise in the price index in January is the highest for the past year. Last year the rate of inflation was 29.4 per cent. down from the 1974 figure of 34.5 per cent.

AMERICAN NEWS

Confident Carter admits only one rival

By Jurek Martin, U.S. Editor

MANCHESTER, N.H., Feb. 23.

JIMMY CARTER admits, if pushed very hard, that the only Democrat who could conceivably stand between him and the Presidential nomination is Congressman Morris Udall of Arizona.

This opinion, divulged quietly over dinner last night, is significant not because it reflects the strength of the Udall challenge, but because it is indicative of the remarkable confidence that Mr. Carter, the former Governor of Georgia, has about his own chances.

He seems quite convinced that nobody can expect to become the nominee without going the full primary route, and therefore rules out Senator Hubert Humphrey and anybody else waiting in the wings; he believes George Wallace to be unelectable: he appears to have no regard for the candidacy of Senator Henry Jackson; feeling that his right flank is not vulnerable and surveying the left, he lights on Mr. Udall largely because he detects certain similarities of outlook and appeal.

Although, like everybody else, he flatly refuses to predict an outcome in to-morrow's primary election here, he does not dissent from the emerging consensus view that he and Mr. Udall seem to be slightly ahead of the pack. Governor Carter acknowledges that the Udall organisation in New Hampshire is effective, but he believes that Mr. Udall must formally renounce any intention he has of running for the Senate from Arizona this year, and concentrate on improving his nationwide organisation before he can pretend to catch up.

Remarkable

At this early stage of the political process, all candidates are allowed to be uninhibitedly confident. But even by these standards, Mr. Carter's belief in himself seems remarkable.

His public performances are now practised and almost word-perfect: they mix up homespun corn, almost evangelical protestations of faith in America's greatness and occasional sharpness in debate, all overlaid with a glittering smile that breaks out at improbable times.

But there is no doubt that Mr. Carter is a political professional, much as he likes to portray himself as a peanut farmer from Georgia. His knowledge of the political processes are considerable. He, along with Governor Reagan and most of the other Presidential aspirants, discerns discontent in the country with the Government in Washington, and repeatedly hammers away at his proposals for bureaucratic reform.

He is vulnerable on some issues, but in New Hampshire he has been completely free of attack from any of his four Democratic opponents. None of them have picked up the messages of critical articles in the Press accusing Mr. Carter of claiming to have done one thing whereas he did another.

This same decorum, however, will almost certainly not be present next week in Massachusetts, where both Governor Wallace and Senator Jackson from the Right are in the fray, and where the emotional issue of busing to achieve racial integration will be paramount.

Northrop made payment of $2m. 'rebate' to Iran

BY GUY DE JONQUIERES

NEW YORK, Feb. 2[illegible]

NORTHROP, the aerospace concern, confirmed to-day that it has paid $2.1m. to the Iranian Government to settle a disagreement over its employment of a company to act as its representative in Iran.

The company's statement follows a report by the New York Times' correspondent in Teheran that the money was paid in an effort to mollify the Iranian Government, which has been cracking down on commission payments made to third-party sales representatives by foreign companies.

Citing an unidentified informant, the Times said that the cheque was accompanied by a letter addressed to a senior Iranian military official by a senior Northrop executive. It read in part: "I trust this action demonstrates Northrop's full support of the policies of His Imperial Majesty with respect to the future conduct of business in Iran and that the fine relations between Northrop and Iran will continue."

The Times said that the $2.1m. was paid over two weeks ago and described it as the first known instance of a "rebate" made to Iran by an American company accused of questionable payments practices.

Northrop said that it had first disclosed last July that such a payment might be made and added that there was no evidence that its use of representatives to lobby for it in Iran involved any illegalities.

Neither Northrop nor the Times disclosed the nature of the contract with which the representatives had been associated. But the newspaper pointed out that Northrop has sold numbers of F-5A and tactical fighters to Iran and disclosures of improper payments by Northrop to agents in Iran and elsewhere had caused a fu[illegible]

According to documents released by the Senate [illegible]nationals Sub-Committee, [illegible]rop paid Mr. Kermit Roos[illegible] grandson of President The[illegible] Roosevelt and a former C[illegible] Intelligence Agency official as much as $75,000 a year to [illegible] for it in Washington and [illegible] Last summer, the company admitted paying a $4,400 [illegible] to an Iranian tax official.

New leader for Canadian Tori[es]

BY VICTOR MACKIE

OTTAWA, Feb. [illegible]

JOE CLARK, a 36-year-old former executive assistant to Robert Stanfield, the retiring leader of the Progressive Conservative Party, was himself elected national leader of the party at a hard fought election battle that took eight hours of balloting to decide the outcome.

Only 65 votes separated Clark on the fourth and last ballot on Sunday from the runner-up, Mr. Claude Wagner, from Quebec. Mr. Wagner is a former Liberal Cabinet Minister in Quebec Government who left the party when he lost out the provincial leadership race to Robert Bourassa now Premier of Quebec. A law and order man, he represents the right wing of the party. The left wingers rallied behind Joe Clark, whom they expect to continue the Stanfield line.

Mr. Clarke came to politics through journalism by working for the family owned newspaper in High River, Alberta. In his mid-twenties he became chief organiser for the Alberta Tories in 1966 when they did not have a seat in the legislature.

Now, under the leadership of Premier Peter Lougheed, they hold the majority of seats in the Provincial House.

Mr. Clark has spent considerable time in Quebec learning French and discovering how politics work there. He has a respectable organisation in Quebec.

He depicts himself as a Conservative in the Disraeli tradition of England rather than the Barry Goldwater tradition. He is against capital punishment, favours tightening up environmental laws and wants to settle the aboriginal title claims against the crown.

W. L. Luetkens adds: The choice of Mr. Clark to lead the PC coincides with a low in public esteem for the Trudeau Government, only partially explicable by the immediate consequences of the recession.

Ottawa has been giving an impression of lack of purpose, and when the Government did act, rather dramatically, last October by imposing price and wage controls, Mr. Trudeau appeared to be acting against his own previous convictions.

During the 1974 election campaign he got the better of the Tories by holding up to contempt Mr. Stanfield's proposals [illegible] freeze.

Business is equally [illegible] enchanted with Mr. Trudea[u's] musings in a New Year's broadcast about the need [illegible] New Society to make up f[or] failures of the market ec[onomy] sounded like rank sociali[sm to] businessmen.

But before writing of[f the] Liberal Party it is best to [bear] in mind that Mr. Trudeau [won] handsomely in 1974 aft[er a] similar period of uncert[ainty,] that the recession may be [over] and that, moreover, the pa[rty is] not irrevocably tied to [Mr.] Trudeau.

Bank profits to be restricted

BY OUR OWN CORRESPONDENT

MONTREAL, Feb. [illegible]

THE GROWTH of Canadian bank profits, already slowing down for cyclical reasons, will be further restricted by guidelines issued by the Anti-Inflation Board appointed to supervise the Government's wage and price controls

Subject to certain exceptions, service charges will be frozen until October unless costs rise; interest spreads may not be increased; and profits will follow a formula intended to tie them to those of the past years.

Profits from foreign business will not be brought under the guideline control: an important exception, given that foreign business contributes about a quarter of the profits made by the Canadian charter banks. But if external profits should fall, the guidelines do not allow domestic profits to be exp[anded] by a compensating amoun[t].

As regards domestic b[usiness] the formula lays down th[at pro]fitability, expressed as the [ratio] of pre-tax profits to total [assets] must not be greater than [illegible] cent. of the average profit [illegible] in the five years to Octob[er] 1975.

And to help newly fo[rmed] banks and those that had a [parti]cularly bad spell durin[g the] period, profits need not [be re]duced below an amount [equiva]lent to 1.05 per cent. of [illegible] on October 31, 1975.

Interest spreads wil[l be] monitored monthly, and [if a] bank is found to be wi[dening] them, it will have to [cut] service charges or will b[e made to] forego passing on higher [illegible]

Treasury reports OPEC surplus 'peak[']

The U.S. Treasury now expects the OPEC nations to accumulate a maximum surplus of some $200bn. by 1980, Mr. Gerald Parsky, the Assistant Treasury Secretary, told a Senate Committee to-day, writes David Bell from Washington. He said that the latest Treasury estimates suggest that 1974 may turn out to have been a peak year for OPEC's accumulation of surplus capital which amounted to some $60bn. in 1974 but fell to $44bn. in 1975. Treasury estimates suggest that Iran may record a balance of payments deficit next year. Only Kuwait and Saudi Arabia, he said, have managed to keep their surplus relatively stable. Mr. Parsky said that, contrary to the alarming estimates made in 1974, only about $5.3bn. of last year's $42bn. surplus was invested in the U.S. Most of that investment appeared to have been of a portfolio nature. He said that in the future the Treasury expected the OPEC countries to place an increasing proportion of their investments in long term debt and equity instruments.

Guyana take-over

The Booker McConnell holdings in Guyana will be nationalised on May 26, when the country celebrates its tenth anniversary of independence from Britain, Mr. Forbes Burnham, the Prime Minister, announced, our Georgetown correspondent writes. The Prime Minister assured all employees that his Government was opposed to "a system and not the individual," and there was no plan to indulge in a series of dismissals.

Peron hold weakens

Sra. Maria Estela Peron's hold on the Presidency weakened still more over the week-end as divisions within the Peronist [illegible] widened, writes Robert [illegible] from Buenos Aires. There [illegible] hope in the Peronist-dom[inated] governing front, Frejuli, th[at the] Peronist Party can any lon[ger be] united behind Sra. Peron. [Mean]while, the new Economy M[inister,] Sr. Emilio Mondelli, order[ed the] fifth mini-devaluation of th[e peso] so far this year.

Ambassador to N[ato]

President Ford to-day nom[inated] Mr. Robert Strausz-Hu[pe, a] former college professor a[nd] Ambassador to Swede[n, to] succeed Mr. David Bruce [as] Ambassador to Nato in B[russels.] Mr. Strausz-Hupe, who is [illegible] long been known for his [conser]vative political views and f[ounded] the Foreign Policy Instit[ute at] the University of Penns[ylvania.]

URUGUAY

Security comes first

BY ROBERT LINDLEY, BUENOS AIRES CORRESPONDENT

THE SLOGAN of the civilian-military Government in Uruguay is Security for Development, and progress is being made. The Tupamaros, once widely considered to have been the most sophisticated urban guerillas in the world, have been totally inactive for two years. Nearly 2,000 of them are serving jail terms of indefinite duration in a maximum-security prison 30 miles west of Montevideo. Ironically, it is in the town of Libertad, meaning liberty.

As for development, in the first half of 1975, GNP grew by 3.6 per cent. and for the entire year probably surpassed the peak reached in 1978—after a contraction of 0.1 per cent. in 1971, of 4.3 per cent. in 1972, and growth of 0.9 per cent. in 1973 and 1.8 per cent. in 1974.

Security is what immediately impresses most foreign visitors to the country. Although the effect is like being in a tomb after 10 p.m., Montevideo, for example, has cleaned house. For more than two years, no lectures have been interrupted at the University of the Republic, once an ideological battleground. Nor has there been a single strike in Uruguay during those two years: once there used to be four or five a day.

There is more than a mere suggestion of repression behind all this security. Accusations of torture against the services and police have accompanied the defeat of the Tupamaros, and in many cases quite obviously are justified. Any remaining threat to security was almost certainly removed by the recent discoveries of Communist Party hideouts, complete with bombs and other weapons and, probably even more important, the names of those party leaders who had not left the country. Most of them have been arrested, paralysing, it is believed, Communist Party activities.

The power structure is seemingly well balanced between civilians and the military, who have run the country jointly since June 1973. Members of the armed forces surpervise the administration and share key posts with the civilians. The forces have not taken all power for themselves and, apparently, have no plans to do so. Almost certainly their plans are to carry on with Sr. Juan Maria Bordaberry as President.

Constitutional reform in the next few months is planned whether Sr. Bordaberry carries on or not, because quite obviously presidential elections in November (when they ought by law to be held) are in practice out of the question. President Bordaberry said repeatedly in speeches last year that "this is the hour of the nation, not of parties and men." He was elected in November, 1971, at the head of a fragile coalition, for a five-year term to end on March 1, 1977. The probability is that the constitution will be changed to amend the orthodox concept of Uruguayan democracy, by way of adapting to the new circumstances. The paradox known elsewhere where the praises of democracy are sung while liberty is limited is expected to creep into the Uruguayan constitution as well. Many Uruguayans console themselves that—as one foreign observer in Montevideo put it—"if the Tupamaros had won here, they would have imposed their own kind of security, which would have been far less attractive."

'This is the hour of the nation, not of parties and men.'

Development, the other goal of the civilian-military Government is less open to polemics. Its chief architect is the Finance Minister, Sr. Alejandro Vegh Villegas, 45, who together with his opposite numbers, Sr. Roberto Campos in Brazil, and Sr. Adalbert Krieger Vasena in Argentina, is one of the most prominent South American enemies of traditional paternalist, highly controlled economic *policies. Sr. Vegh is a Harvard* graduate in engineering and identified with Prof. Milton Friedman's Chicago school of economists.

He has sponsored a Foreign Investment Law, which regulates capital income and the repatriation of profits, and is steadily attracting investment after years of indifference abroad. An Industrial Development Law has boosted manufacture, most notably of non-traditional goods such as furs, shoes, ceramics, glass, vegetable and animal oils, and tobacco. They now make up nearly 50 per cent. of all exports. Uruguayan textiles are being exported to the U.S., Britain and South Africa. Similarly Uruguay never before sold wheat and rice abroad, but last year exported rice to the amount of about $23m. and wheat to the amount $15m.

Imports have been freed, and prices are being freed except the prices of comm[odities] considered to be essenti[al. Sr.] Vegh, like his mentor, [Prof.] Friedman, does not beli[eve in] price control. Last yea[r the] inflation rate in Urugua[y was] about 50 per cent., con[trasted] with 107 per cent. the [year] before—and 335 per ce[nt. in] Argentina or 340 per ce[nt. in] Chile. Real wages are do[wn to] 93 per cent. of what they [were] in 1973, but with the diff[erence] that the worker who i[s not] allowed to strike gets hi[s] wage every month inste[ad of,] possibly, less than half of [it.]

Sr Vegh's policies [have] restored faith in Uruguay [with] the International Mo[netary] Fund, the Inter-Am[erican] Development Bank, the [World] Bank and among America[n and] European bankers gen[erally.] The IMF, for example, has [been] forthcoming with standby [and] oil facilities, and in Septe[mber] a consortium of U.S. [and] European banks came fo[rward] with a $110m. credit [to the] Uruguayan central bank [which] greatly helped the pay[ments] deficit. The credit was se[cured] by gold

There is a balance of pay[ments] deficit because Uruguay [is im]porting all of its oil, at a c[ost of] $150m. annually, and ca[n] only half of its annual production of 200,000 [illegible] Partly to counteract this Ur[uguay] is selling dollar treasury b[onds] paying 11 per cent. int[erest.] Sales of these bonds durin[g the] first half of last year to[talled] $66.9m. Reportedly mo[st of] them are being bought wit[h] money from Argentina, se[eking] a nice, stable little country.

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OVERSEAS NEWS

Indonesia seeks to trim Caltex profits

By Our Own Correspondent

JAKARTA, Feb. 23.

THE Indonesian Government hopes that current contract re-negotiations with its major oil producer, Caltex, will trim $1 off the estimated $2.30 a barrel profit now earned in the company's Indonesian operations. The target means that Caltex would foot almost all of the $280m. in extra oil revenue, which the Government plans to squeeze from foreign oil companies in the forthcoming 1976-77 financial year beginning on April 1.

Informed estimates here say that Caltex earned between $600m. and $700m. from its Indonesian production, which last year averaged about 831,000 barrels a day.

The Indonesian Government argues that the $2.30 a barrel profit is unfairly high set against the general 20 cents to 50 cents a barrel profit earned by Middle East producers. Caltex entered the negotiations "stonewalling," oil industry sources here say. The company argued that the high profit was justified by the company's investment programme in Indonesia.

However a Caltex team recently left here to refer the proposals to their principals in the U.S., and Government sources appear confident that an agreement is near.

A desperate budget situation is behind the Indonesian stand. Oil is the main export income and Government revenue earner, and last year total production averaged only 1,313,300 barrels a day against 1,392,200 in 1974 and 1,338,700 in 1973.

A slow recovery took production up to 1,421,100 last December, and it is expected to be some time before the maximum output of about 1,800,000 barrels a day is achieved.

The decision to follow last October's OPEC oil price increase only to the extent of a 6 per cent. rise plus private concessions to new buyers means that a squeeze on existing profits is almost the only way of raising oil revenue.

The Minister of Mining, Dr. Mohammed Sadli, said earlier this month that the Government "has the sovereignty and political authority to guarantee that foreign companies abide by any Government decision."

Chinese people take notes at Tsinghua University in Peking of wallposters criticising "capitalist roaders," apparently aimed at senior Vice-Premier Teng Hsiao-ping. The wallposters started appearing after Hua Kuo-feng was named acting Premier instead of the expected appointment of Teng.

Nixon received by Chairman Mao

PEKING, Feb. 23.

EX-PRESIDENT Richard Nixon to-day had a meeting here with Chairman Mao Tse-tung, four years after his visit to Peking as President signalled the start of a new chapter in Sino-U.S. relations.

Chinese officials said the meeting lasted about one hour 40 minutes, but have no further details. This was only 10 minutes less than President Ford's meeting with the Chinese leader last December.

Later Mr. Nixon was to have a second round of talks with Mr. Hua Kuo-feng. Nothing was revealed of the contents of their two and a-half hour discussion yesterday except that it was on "international questions of common interest."

Before going to see Chairman Mao to-day, a buoyant Mr. Nixon toured an agricultural exhibition. He told his hosts China's great emphasis on rural development meant not only that it would be "a nation that can feed, clothe and house itself, but will also be a great industrial power."

Lee warns of danger to ASEAN

BY PETER DUMINY

TOKYO, Feb. 23.

A MORE effective Association of South East Asian Nations (ASEAN) will help to ensure that "incipient insurgencies" do not develop into "full scale revolutions," Lee Kuan Yew, the Prime Minister of Singapore, declared in what was in many respects the keynote address at this morning's opening of the two-day meeting of Heads of Government being held in Bali.

All five leaders delivered unexpectedly substantial policy statements in the formal proceedings before going into closed session to put final touches to the declaration they will issue to the Press to-morrow night. However, Lee and President Marcos of the Philippines were much the bluntest in seeking to inject a sense of urgency into the nine-year-old association of Indonesia, the Philippines, Malaysia, Thailand and Singapore.

The essence of their message was that South East Asia is a distinctly more dangerous place in view of the result of the Vietnam war, American pursuit of detente, and world economic problems. ASEAN co-operation is the most promising way of coping with this, plus emergence of the four-nation Indo-China bloc, Lee said. He quoted the "vaguely analagous" situation in which the EEC was driven into existence in response to the pressures of a "competing system."

President Marcos said: "The best defence against insurgents is and always will be economic development."

All Heads of Government paid at least lip service to the priority to be given to economic co-operation, though it is still not certain what shape that will be given. The best guess seems to be a statement of intent about joint industrial projects, with details to be worked out at the meeting of Economics Ministers to be held in Kuala Lumpur on March 8-9.

Lee implied that Indonesia's President Suharto had made last minute concessions to the economic co-operation lobby, but he stopped short of declaring that the result will be satisfactory. "It is a question of whether we have the will and vision to reconcile short-term interests for the sake of long-term objectives," he said.

Polisario men see Riad

BY IRENE FURNESS

ALGIERS, Feb. 23.

DIPLOMATIC efforts to settle the differences between Algeria and Morocco over the Western Sahara have taken a new turn with the visit of Mr. Mahmoud Riad, general secretary of the Arab League, to Algiers and Fez.

While in Algiers Mr. Riad received two Polisario delegates, Mr. Habib Allah, member of the Polisario executive committee and Mr. Ould Ziou, president of the Saharan Provisional National Council, who spent more than two hours putting the Polisario case to Mr. Riad. Mr. Habib Allah accused Morocco of atrocities against the Saharan people and of bombing civilians in refugee camps.

Mr. Riad flew to Morocco late on Sunday and saw King Hassan to-day. He is expected to return to Algiers shortly with King Hassan's reaction.

Diamang may hand over in Angola

LISBON, Feb. 23.

THE DIAMOND Company of Angola, Diamang, has begun negotiations with the MPLA Government in Angola, aimed at handing over its concession rights in the former Portuguese colony.

Sen. Carlos Abecassis, chairman of the company, said Diamang would like to surrender the concession to the Government and remain as a "contractor-partner" to operate the mines on the Angolan Government's behalf.

In an interview with Reuters, the Diamang chairman said the company was running at a "tremendous and permanent loss," which it could no longer sustain. Production had dropped 60 per cent. in 1975 and the fall had reached 85 per cent. in the last four months. This was due to a "spectacular" drop in productivity, together with a sharp increase in illicit mining and diamond stealing in the area.

The Diamang concession mainly covers the north-eastern quarter of Angola along the border with Zaire, and produces about eight per cent. of the world's diamonds.

Sen. Abecassis said the amount of stolen Diamang diamonds now held in Angola and Portugal probably exceeded a year's normal production by the company. Diamang produced 1.96m. carats in 1974, and the chairman said its capacity in 1975 would have been pushed up to 3.5m. carats in normal circumstances.

The Portuguese Government recently allowed Diamang to buy diamonds smuggled from Angola by thousands of refugees who fled from the territory last year.

Diamang is jointly owned by the Portuguese Government, British, South African, American, Belgian and private Portuguese shareholders. The State of Angola also has an 11.6 per cent. stake and used to receive half of the profits.

Negotiations with the Angolan Government began a month ago in Luanda. The MPLA was extremely anxious not to give the impression that it wanted to nationalise the company, the Diamang chairman said. He was convinced the Government wanted Diamang to remain as the technical operator of the mines, and he believed a profit-sharing agreement could soon be reached.

Reuter

THE EAST AFRICAN COMMUNITY

A pattern of decay

BY JOHN WORRALL, NAIROBI CORRESPONDENT

PRESIDENT Ida Amin of Uganda has gone a long way to seal the dissolution of the ailing East African Community by claiming huge slices of Kenyan territory. He has infuriated President Kenyatta to the point where he sanctioned angry anti-Amin demonstrations throughout Kenya—and even turned up in person at one Nairobi rally to proclaim: "Not an inch will be given up."

Whether Amin was naive, whether, as he says, he "read it all in a book," the Ugandan leader seems to have lost the most important President in Africa prepared to tolerate him. He has been on frigid terms for years with his other Community partner, President Nyerere of Tanzania.

The three Community Presidents may never now meet to sort out the looming problems of the Community Corporations—Railways, Harbours and Communications—which have been sinking deeper and deeper into the financial morass.

The World Bank and the Crown Agents in London, among other creditors, are increasingly concerned about the financial paralysis that seems to have overwhelmed the Corporations.

Towards the end of last year it was touch and go whether the World Bank would suspend loan payments to the Railways and the Harbours Corporation. There had been failures to meet debt servicing obligations, not for the first time. Last year a series of crises rumbled on over debts owed to the Crown Agents, which supply huge quantities of equipment and spare parts to keep the Corporations running, especially the Railways. Spare parts were held up until bills were paid, and the Railways had to close some services in Kenya for lack of locomotives, in working condition. Ships in Lake Victoria were laid up.

Officials

In December the Crown Agents flew top banking and supplies officials to Kenya to sort out the financial chaos. The Crown Agents do not reveal the affairs of their customers, but it is understood that the total Community debt to them is not far short of £12m.

The Corporations were saved—once again—by massive funds from the Community's partner Governments. But the Corporations, especially the Railways and the Harbours, are still bogged down by financial disputes between regions and headquarters, ideological quarrels between socialist Tanzania and free enterprise Kenya, and sheer chauvinism. Allegations of corruption and mismanagement against high officials break out regularly at meetings of the East African Legislative Assembly, the Community's Parliament.

The belief is stronger than ever—and so is the wish in many financial, political and commercial quarters—that the Corporations, at least, will break up into autonomous bodies run by each of the territories. Many feel that a nice clean break all round would lead to a healthier atmosphere between the states.

Uganda is a question mark. It is assumed because of her land-locked nature that she would tag along with Kenya, sharing the railways and using the port of Mombasa, but Amin's outbursts make it unlikely that Kenya would go along with this idea unless he drops his territorial claims. The Kenya Government said recently that Uganda has no automatic right of access to the sea, but only a service provided to a sister State.

The whole question of the future of the Community is now being argued out by an inter-state commission to review the Treaty which brought Kenya, Tanzania and Uganda into an economic community, with such optimism and hope, eight years ago. It began its sittings late last year, and may produce its report by the end of this year.

The Commission is formed by the Ministers of Finance, Transport and Communications, and Law, of the three states, under the neutral chairmanship of Mr. William Demas, President of the Caribbean Development Bank. It was brought into being by the Community's Higher Authority, the Presidents of the three states, Mr Jomo Kenyatta, Dr Julius Nyerere, and Field Marshal Idi Amin. All have pledged their faith in the Community's future, but they never did meet to translate that faith into deeds which might have saved the Community. President Kenyatta has had good relations with the other two Presidents, but the deep rift between Dr. Nyerere and Field Marshal Amin ruled out such a meeting.

It is no secret that the most difficult and irksome task for the Review Commission is to find ways and means to decentralise the transport and communications corporations. And it is also no secret that both Kenya and Tanzania want it to be done now. "Decentralisation," of course, is a polite term for the partner States, running their own railways, harbours, and communications systems. East African Airways is likely to stay a joint international service, with each state running its own internal services. The present system of running an interstate headquarters for each corporation (Railways in Nairobi, Harbours in Dar-es-Salaam, and Communications in Kampala), with powers over each national region, has failed utterly. Inter-state jealousies and rivalries have failed to make the system work, largely because the three states are now following divergent political and economic policies. That has totally destroyed the spirit of co-operation which brought the Community into being, and which for years made the organisation work very well indeed.

One factor which has contributed most to the paralysis has been the deliberate withholding by high regional officials of surplus local funds. Headquarters staffs have gone without pay because there was nothing in the kitty, bills could not be met, debt servicing had to be delayed, and overdrafts soared to such an extent that banks stopped cheques.

Dismantling

When the East African Legislative Assembly's select committee on the Harbours recently recommended that "the Corporation should be decentralised almost to the extent of dismantling the headquarters in Dar-es-Salaam," it seemed that the breakup was inevitable. A Canadian firm of railways consultants, Canac, is working out the distribution of liabilities and assets of the railways for the decentralisation programme. A firm of Nairobi chartered accountants has prepared a massive report on the Community's assets and liabilities.

The Review Commission will undoubtedly have to grapple with many awkward issues that do not seem to have been considered by commentators for and against the Community. For instance, what happens to the large labour force employed at Corporation headquarters? Redundancies must be feared—and every state already has its unemployment problem. What happens to the East African Legislative Assembly, the East African Appeal Court, the scientific and research bodies, and the Common Market?

It seems to be taken for granted that the East African Development Bank will continue, for the World Bank has just given it a loan of $15m. for industrial projects in the three territories. But most of the rest appears uncertain.

RHODESIA AND NAMIBIA

EEC backs 'self-determination

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

LUXEMBOURG, Feb. 23.

EEC FOREIGN Ministers to-night adopted a major policy statement on Southern Africa that the British Government is bound to use to apply further pressure on the Smith regime in Rhodesia. The declaration, agreed despite initial French misgivings, firmly underlined the Nine's support for "self-determination and independence for the Rhodesian and Namibian peoples" and condemned apartheid in South Africa.

Leaving the meeting, Mr. Roy Hattersley, Minister of State at the Foreign Office, said the declaration should help to persuade Mr. Smith that the situation in Rhodesia must conform to the "normal standards of civilised behaviour." "If Mr. Smith has any sense he will realise that the body of moral opinion is growing stronger," he stated.

The main aim of to-night's declaration was to re-establish a common EEC line on Southern Africa following last week's failure to organise simultaneous recognition of the MPLA regime in Angola when France went ahead unilaterally. M. Gaston Thorn, the Council President, described to-night's efforts as a "great improvement."

France had last week refused to subscribe to a joint EEC statement calling for an end to foreign involvement in Angola. To-night's declaration, however, condemned all outside military intervention in the country and said it was up to the Angolan people to decide their own future.

Mr. Hattersley made it clear that "foreign military intervention" included both Cuban and South African activities.

The Nine said all African States had the right to decide their own policies, without foreign interference or the formation of "zones of influence." M. Thorn pointed out this applied equally to Zaire and Zambia. The declaration calls for "peaceful and constructive co-operation" between all the States in the area.

At the same time, the declaration contained an offer of Community "co-operation" in so far as this was sought by the Southern African countries. M. Thorn said it was too early to say whether Angola would join the Lomé Convention, linking the Community with 46 nations in Africa, the Caribbean and Pacific, although most Ministers clearly consider this a possibility. Economic aid will certainly be forthcoming if Angola wants it.

The declaration expressed the Community's appreciation of efforts by the Organisation of African Unity to find an "African solution" to Angola's difficulties, and reaffirmed the Nine's support for the OAU in promoting African co-operation.

Several Ministers expressed regret over France's unilateral recognition of the Luanda regime, but the incident was passed over fairly briefly. M. Jean Sauvagnargues, the French Foreign Minister, airily dismissed criticism by pointing out that all the eight other Governments had followed Paris within three days.

The Ministers briefly reviewed Cyprus, East-West relations and the Nine's Euro-Arab "dialogue" with the Arab world. They agreed that the Community's working party on international terrorism should intensify its activities with a view to making proposals for action at EEC level.

Soaring development costs for MRCA

BY NICHOLAS COLCHESTER

BONN, Feb. 23

THE CONCLUSIONS in a confidential report by German Defence Minister Georg Leber on the German-British-Italian programme to build a Multi Role Combat Aircraft (MRCA) support the current assumption in Bonn that the aircraft will go into series production later this year.

Yet, according to Parliamentary sources, the report also spells out the cost escalation that has afflicted the programme and aspects of the aircraft's performance that remain unsatisfactory.

The prices quoted for the MRCA are December 1974 prices: they do not therefore reflect increases that have certainly occurred over the past year. The December 1974 "fly-away price" was DM23.5m. or £4.5m. per aircraft compared with the DM15m. cited in 1970. When pre-production costs are added to this "fly-away" price they yield a unit cost of DM29.2m. or £5.6m. On top of this comes another DM15m. for necessary spares and ground and training equipment yielding a total price at the end of 1974 of DM44m. or £8.5m. a unit.

Minister Leber claims that the manufacturing consortium is now willing to be tied down to a fixed price "despite massive resistance by the British and Italian partners and in particular from British industry." Negotiations around the prices mentioned above are now under way. He maintains that the "fly-away" price is no surprising increase on that originally envisaged if overall inflation is taken into account. He says that the performance of the MRCA was acceptable to the air forces of all three participating countries.

The decision to put the MRCA into series production will not be taken until the second quarter and will not be formalised until the end of June. Parliamentary sources here suggest that the six-month delay has been largely due to problems with the aircrafts' engines. Failures of turbine blades developed by Rolls-Royce *have led to lower durability and* maximum power, together with higher fuel consumption, than had been hoped for. These shortfalls have had an adverse affect on the aircraft's range and short-take-off performance.

The Leber report also confirms that the series production agreement must contain provisions, yet to be worked out, to see that the price of he MRCA does not escalate wildly if the number of aircraft finally ordered by the three countries is reduced somewhat. At the moment a total of 807 are in order — 322 for Germany, 100 for Italy and 385 for Great Britain.

Some 165 of the British aircraft are an air defence, or fighter version, and industry sources in Germany believe that it is here that the greatest uncertainty lies. The official British Government line is that *it remains intent on developing* the air defence version at extra cost. Yet there is clearly mounting doubt in London that the MRCA is the right choice for the British air defence aircraft in view of the mounting cost of the conversion, the aircraft's performance short-comings, the time it will take to develop the different version, and the fact that European allies have opted for proven American alternatives.

It is also clear that cancellation of the British air defence version would have an important impact on the "final" MRCA price figures that are now being worked out.

Friderichs faces union opposition

BY ADRIAN DICKS

BONN, Feb. 23.

THE WEST German Economics Minister, Herr Hans Friderichs, faces a difficult time to-morrow at the hands of the trade unions when he meets the movement's representatives together with those of the employers' organisations, in the regular "concerted action" group.

The union side is expected to take strong issue with the *Minister's emphasis in recent* speeches and statements on the need for higher profits and investment incentives, while insisting that the outlook for unemployment remains bleak. Herr Friderichs, who has consistently expressed a cautious view of the strength of the current recovery in economic performance, *warned once again over the* week-end that the unemployment total was unlikely to fall below 1m. even if hopes of a relatively strong improvement in real growth in 1976 are fulfilled.

This figure is a little less hopeful than Herr Friderichs' own experts forecast in their annual economic report last month: the *Ministry's* considered opinion at that time was that the number of unemployed could be expected to remain at about 900,000 at the end of this year, given real growth of 4½ to 5 per cent.

The German unions do not accept this forecast, taking a much less pessimistic view than the Economics Ministry—supported by several independent *economic forecasters*—holds on the structural weaknesses of the labour market.

They are also likely to resist strongly pressure from the Government and from the employers' side that wage restraint should be made the main order of the day, even while Herr Friderichs is still calling for greater stimulus to investment. The union argument is that steady growth of wages, and thus of consumer purchasing power, has been one of the pillars of recovery so far, and that it would be untimely as well as unfair to insist on further voluntary restraint.

General pledges army wil[l] keep out of Spanish politic[s]

BY ROGER MATTHEWS

MADRID, Feb. 2[3]

SPAIN'S first deputy Prime Minister, General de Santiago y Diez de Mendivil, warned the country to-day about the dangers of Marxist subversion but said that the army would not become involved in politics. In a speech to the Military Studies Centre he pledged that Spain would remain loyal to its "traditional" ideology which was rooted in the Catholic religion and would withstand all attacks from within or from abroad.

On a more practical level, he expressed concern about the low levels of pay within the armed forces and suggested that more modern equipment should be provided. Stressing that virtually all military hardware was supplied from overseas, the General implicitly suggested that far more should be done to establish Spain's own manufacturing facilities.

Other members of the Government, who meet to-morrow to put the final touches to a hotly disputed package of economic measures, are understood to be aware of the need to increase military spending but are more immediately concerned with the financial difficulties facing many of the country's major industries.

Instead of a decree-law the Government seems to have decided to submit its economic plans to the Cortes for approval, a tactic which will necessarily cause a further delay in their introduction. The Finance Minister is due to appear on television on Wednesday night to explain the significance of the new measures.

He is also likely to appeal for a period of industrial peace which, with strikes continuing to plague several regions, is a topic of mounting anxiety. Two of the main centres are currently Vigo where over 10,000 men are out and in Vitoria where strikes that have affected the city for the past seven weeks show no signs of abating. In Barcelona construction workers and municipal staff remain on strike and in Seville troops are maintaining a reduced bus service due to the stoppage by drivers.

Over 14,000 miners in the north-west have now been on strike or locked out for nearly two months and Spain i[s] increase its imports of coal [from] Poland. Ironically, the newsp[aper] of the illegal Communist [Party] reported to-day a donatio[n of] nearly Pts.30,000 from [its] Polish comrades."

One of the biggest ever [anti-]regime demonstrations [took] place yesterday in Pam[plona] with the permission of the [civil] governor. An estimated 3[0,000] workers and their fa[milies] marched peacefully throug[h the] streets to protest at sack[ings,] layoffs and the rise in the [cost] of living. While the Go[vern]ment seems willing in [some] cases to permit such demo[nstra]tions in provincial towns [there] is still no indication that [they] would be allowed in Ma[drid,] Barcelona or other [major] centres.

A series of three round[-table] conferences organised by [the] Catholic organisation Justic[e and] Peace to discuss relig[ious,] political and economic topi[cs in] which a number of membe[rs of] the "opposition" were d[ue to] take part was banned this [after]noon by Government order[. No] reason was given.

U.K. renews efforts to gain Community nuclear site

BY DAVID CURRY

BRUSSELS, Feb. 23.

BRITAIN will to-morrow renew her efforts to prevent the establishment of the Community's research programme into nuclear fusion at Ispra in Italy rather than at Culham, near Oxford, where the design work on the experimental apparatus has been carried on.

With London's attitude apparently hardening in support of Culham and the other Community members leaning without overt enthusiasm towards Ispra, it is becoming increasingly likely that the decision will be postponed. There may be an attempt by Science Ministers to make some progress by agreeing to release enough funds to keep the work going and the design team in existence pending the vital decision on the site. Italy has always refused to sanction approval of the programme divorced from the site decision, and if she takes the same line to-morrow it may well be that Rome rather than London will end up in the dog-house.

Despite the site's fulfilment of the technical requirements, the choice of Ispra for the experimental stage of the nuclear fusion programme through the building of the Torus equipment to reproduce fusion reactions is overwhelmingly political in character: it is a Community programme and Ispra is the only Community centre capable of accommodating it, despite not having had a hand in the preparatory work. In addition an independent examination of the candidate sites came down in favour of Ispra on grounds of the greater availability of electricity supplies and the better facilities for research staff at the Italian centre.

Britain has maintained that the project has a better chance of success at Culham because this centre has experience in building (admittedly much smaller) fusion equipment. However, Britain, in the person of the chief scientific advisor to the Ministry of Energy Dr. Walter Marshall, *took four months* to decide to bid for the Torus, and Culham has no adherents among the other member states.

It is also argued in favour of Ispra that while it has no experience in fusion research it has proved able to handle large-scale plant and equipment as evidenced by the work done at the nuclear installation Essor built at Ispra when the original Six were collaborating on developing an organic coolant reactor in the 1960s.

The Italian Government is pitching hard for Ispra, while the Commission clearly feels that the location of the Torus there will re-establish the centre as a leading centre and counteract the tendency to fragment research into national efforts.

It is quite possible that the Council of Science Ministers will end in deadlock with the British refusing to accept a decision on the site and the Italians refusing to authorise the programme without a decision on the site. Commission arguments that the vital scientists will get sufficiently fed up with procrastination to be tempted to the rival U.S. programme are regarded as exaggerated, though the Culham team of which about a third is British has written to Brussels urging that a decision be taken to get the next phase of the project under way.

Portugues[e] military may provi[de] protection

LISBON, Feb. [23.]

PORTUGUESE ARMY [chief] General Antonio Ramalho E[anes] said to-day the military [would] intervene if necessary [to] guarantee the safety of [the] forthcoming electoral cam[paign] after shooting broke out [at a] political rally addressed by [Socia]list leader Mario Soares [last] night.

Troops and para-m[ilitary] national guard were rush[ed to] the *small farming tow[n of]* Benavila, south of here, t[o deal] with the incidents, which le[ft ...] injured including one o[f the] Socialist Party's national [secre]taries, Senhor Aires Rodri[gues.]

General Ramalho Eane[s said] he would not hesitate to m[obilise] the armed forces to gua[rantee] the total security of the [...] elections if "hoodlums" t[ried to] disrupt the political partie[s' elec]toral campaigns.

The general, who left h[ere to]day for Brussels to visit [NATO] headquarters, was comm[enting] on the fighting at last [night's] Socialist meeting—for whi[ch] Soares' party has laid full [blame] on the Communists.

A Socialist statement a[ccused] *the Communists of openi[ng fire]* on a crowd of Socialist sup[porters] with shotguns and attackin[g them] with stones, razors and iro[n bars.] It said the incident w[as an] attack on democracy and a[ccused] the Communists of using te[rrorist] methods.

Referring to the Comm[unist] leadership's repeated ca[lls in] recent weeks for an a[lliance] between the two partie[s, the] Socialists said: "While the [Com]munist leaders, using a [...] manoeuvre, throw out invit[ations] offering unity to our me[mbers,] the (Communist Party's) m[en shoot] at Socialist supporters."

Last night's incidents oc[curred] in the Alentijo Province [where] over the past year most [of the] large estates *have been sei[zed by]* pro-Communist farmworke[rs.] Reuter

Minister calls for boost to Cyprus economy

BY OUR OWN CORRESPONDENT

NICOSIA, Feb. 23.

FINANCE MINISTER Mr. Andreas Patsalides said to-day that prospects for the continued improvement of the Cyprus economy this year were "good." But he called for greater effort, faith and determination on the part of the private sector.

Addressing Parliament on the 1976 ordinary and development budgets, Mr. Patsalides said the budget deficit was intentionally higher than last year "mainly because the contribution of the private sector has not yet reached the desired level," following the events of 1974.

The deficit in the ordinary budget of £65.1m. expenditure stands at nearly £20m., while the development budget (£31m.) "remains *almost uncovered*."

The Finance Minister said these deficits would be met with a grant from the Greek Government and loans secured from external sources. "The public debt is by a fortunate coincidence low and leaves margins for further borrowing," Mr. Patsalides added.

He stressed that despite the "heavy blow" suffered by the Cyprus economy as a result of the Turkish invasion, it was now showing "obvious signs of recovery," though the decline of *the real gross domestic product* last year was estimated in the region of 35-40 per cent. *vis-à-vis* 1973.

The Minister criticised the "impatience" shown by many Greek Cypriot workers to return quickly to previous living standards. He urged them to show "utmost self-restraint and especially industrial peace."

Mr. Patsalides said that in the two budgets, emphasis was given to developing agriculture, animal husbandry, industry, exports and tourism, and these sectors together were expected to absorb almost 54 per cent. of the proposed expenditures.

Efforts would also be directed this year towards creating more employment opportunities for the 200,000 Greek Cypriot refugees.

● Turkish Cypriot leader Rauf Denktash said to-day the Cyprus peace talks were back on course after months of delay. "In my view the five-day Vienna talks on the future of the island were quite successful," he told Reuter in Ankara.

Mr. Denktash arrived in Ankara on Sunday to brief Turkish Government leaders on the fifth round of the peace talks.

New Czech plan seeks price stabilit[y]

VIENNA, Feb [23.]

RETAIL price stability, [full] utilisation of capacities, [self-]sufficiency in grain prod[uction] and balanced growth on th[e basis] of increased productivity a[re the] main targets of the new C[zecho]slovak five-year plan for 1[976-80,] according to the dir[ectives] released during the week-e[nd by] the central committee o[f the] Communist Party.

According to the doc[ument,] which will be submitted [to the] next Party Congress in [April,] national income should r[ise by] 27 per cent. to 29 per cen[t. and] industrial output by 32 pe[r cent.] to 34 per cent. during th[e] five years, with higher p[roduc]tivity accounting for 90 pe[r cent.] of the extra industrial gro[wth.]

The priority target is to [be] accelerated growth of en[gineer]ing production, whic[h is] scheduled to rise by 48 pe[r cent.] to 51 per cent., and engin[eering] exports by 72 per cent. to [... per] cent. during the planning p[eriod.] The plan envisages tha[t the] country should be self-su[fficient] in grain, and farm output [in the] five-year period is set to in[crease] by 13 per cent. to 16 per c[ent.]

Abstention costs Polish MP his seat

BY PAUL LENDVAI

VIENNA, Feb [23.]

ONE of Poland's most respected Catholic intellectuals, Professor Stanislaw Stomma — hitherto leaded of the five-member strong Catholic group called Znak in the Sejm (the Polish Parliament)—appears to have been eliminated from political life as a result of his having abstaned from voting for the new Constitution earlier this month.

His name is not on the list of candidates for the March 21 general elections, ostensibly compiled by the National Unity Front which is in fact the front organisation for the ruling Communist Party.

Professor Stomma, who teaches law at Cracow University, has belonged for 19 years to the Sejm and often played an important behind-the-scene role in mediating between the RC church and the Communist regime. The 67-yearold lawyer was the only one among the 460 MPs who on February 10 dared to abstain from voting for the new constitution which has provoked strong opposition by the church and many prominent intellectuals.

It is evidently a punishment for his dissent that he is no longer allowed to belong to Parliament. As in other Communist countries, the list of candidates in Poland is also selected and approved by the Communist leadership regardless of the fact that nominally there are also two non-Communist parties and several Catholic groups i[n Par]liament. Ever since 1957, [how]ever, it has been Dr. Sto[mma's] group which could alone [be re]garded genuinely represen[tative] of a segment of the Polish [popu]lation.

He is also one of the p[ublish]ers of the influential Ca[tholic] weekly "Tygodnik Powsze[chny."] After his refusal to publi[sh an] obituary of Stalin in 195[3 the] paper for three years was [taken] over by the pro-Communis[t] group, created to split the [Catho]lic church. It is also ex[pected] that after Dr. Stomma's [...] departure from the po[litical] scene his former Parliam[entary] group will also have a dif[ferent] name.

هكذا اصل الأصل

Finmeccanica chief resigns after Lockheed allegations

BY ANTHONY ROBINSON

ROME, Feb. 23.

IG. Camillo Crociani, president f Finmeccanica, the holding ompany which groups together he engineering interests of the tate controlled IRI group, has esigned following allegations nking him with illegal payients made in connection with e Italian air force order for Lockheed Hercules transport ircraft and other illegal transctions.

On the basis of documentary vidence from the Church comittee in the U.S. Senate, the agistrate investigating the case ig. Ilario Martella has issued a

THE LOCKHEED PAYMENTS

idicial notice informing Sig. ociani that he is under investiition for "involvement in the rruption of public officials."

Sig. Crociani's current whereouts are unknown. The judiial notice follows the issue of rest warrants for one of Lockeed's principal agents in Italy, e lawyer Ovodio Lefebvre and gnora Maria Fava, the adminrator of a company called m.El.Spa which, again accord-g to the Church committee rert, is one of several ghost npanies through which illegal yments were made to two ilian defence ministers and ier public officials.

Both these persons are lieved to have left Italy. But other lawyer involved in the ckheed case, Sig. Vittorio tonelli, has been arrested and under investigation. Sig. ociani is alleged to be linked these people and the myriad ghost companies like Com.El. a, Tezorefo and Ikaria through ich the Lockheed payments re made.

nvestigations into the Lockd case has brought to light evidence of systematic corruption in several other contracts for the Italian armed forces of which a classic example is a payment by Selenia, a subsidiary of the State owned Finmeccanica group, made in connection with an order for radar equipment by the Italian air force. In this way one branch of the Italian State paid ghost company Com.El.Spa for a contract placed by another branch of the Itlian State, the air force.

The resignation of Sig. Crociani represents a major new development in what is being called here Italy's Watergate. His resignation, for "personal reasons" came after it became clear that Sig. Guiseppe Petrilli, President of IRI, intended to oblige Sig. Crociani to resign. Sig Crociani joined IRI as president of the Finmare group in 1968 and became president of Finmeccanica three years ago. He has never made any secret of his close working relationship with leading government politicians.

But it is precisely this aspect of his resignation which is so significant. Up to now Italy has known a long series of scandals of various kinds, mainly involving pay-offs to individuals or to political parties. Investigations into these scandals involving political figures have up to now been taken out of the hands of the ordinary magistrates and turned over to special Parliamentary inquiries and quietly forgotten.

Now, however, the political power structure which has governed Italy since the war is in a profound crisis. The documentary evidence concerning the Lockheed payments has come from a U.S. source which it was not possible to smother. Under these circumstances the "omerta" which covered previous scandals is no longer operative.

Cancellation of Orions opens U.K. opportunities

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Feb. 23

NCELLATION OF the anese plan to buy Lockheed C Orion aircraft for antimarine patrol use could open major opportunities for tish exports either of comte aircraft or of electronic tems.

This is being admitted here importers of the aircraft and tems concerned who are ily updating technical specitions and price lists in pretion for what they hope will inquiries from Japan's Self ence Agency. It is also being ssed, however, that it would remature for Britain to start rd sell to the Japanese govnent at present. The Lock-l scandal has generated so y uncertainties and embarments in Tokyo that no one rtain how the final decisions go on defence contracts.

le British aircraft which d perform anti-submarine ol functions for Japan in e of the P3-C is the Hawker eley Nimrod, basically an ited version of the Comet a complex electronic itoring system inside it. The rod was exhibited at the 1974 o air show after which an getic but unsuccessful sales paign was mounted with the Defence Agency. The rod is more expensive, but r than the P3-C which is urbo-prop aircraft.

seems virtually certain that n will look seriously at the rod if it cancels its plan to he P3-C and opt for another gn aircraft instead. There owever, the possibility that n might choose to build its anti-submarine aircraft in h case there would be a ibility of electronic equipment being imported from other countries.

The equipment which the U.K. would hope to sell for a home produced Japanese anti-submarine aircraft would be the Marconi-Elliott AQS-901 acoustics processing system which is considered to be the most sophisticated system in its field, well ahead of the AQA7 processing system used in the P3-C. The system is currently undergoing final tests in the U.K. and is designed for use in conjunction with buoys being developed for the British and Australian Governments.

The Marconi-Elliott system has the disadvantage, from the Japanese point of view, of being different from the systems currently in use by the U.S. Navy which operates in close conjunction with the Japanese Self Defence forces in patrolling the seas near Japan. It is claimed, however, that relatively small adaptations could make the U.S. and U.K. systems interlock.

The size of the potential business with Japan can be gauged from the fact that the Self Defence Agency has been planning to order 60 P3-Cs from Lockheed for delivery over a five-year period from 1980 onwards.

● Japan's Diet (Parliament) today called on the U.S. Senate and Administration to supply all the evidence in the Lockheed payoff scandal, including names of Japanese officials suspected of receiving bribes.

A resolution adopted unanimously by both houses of the Diet also called on the Japanese government to send an official mission to the U.S. to investigate the scandal.

Reuter.

'No Europeans bribed by General Dynamics'

Y DAVID CURRY

BRUSSELS, Feb. 23.

ERAL DYNAMICS Corporaof the U.S. won the arms of the century—the contract upply Belgium, Holland, ay and Denmark with new er aircraft—without resort ny form of bribery. This asserted categorically by David S. Lewis, the com-'s chairman here to-day.

"We have no agents, no iltants, no assistants, no ers, no under-cover men," he d. "There was zero pay zero bribes, zero offers. No in any government needs to wake at night wondering the whistle will be blown m because it won't happen."

Lewis also allayed fears e four European countries the U.S. aircraft builders d not fulfil commitments for sharing with European ufacturers. The contract for the Europeans to get er cent. of the value of the aircraft built for them in onent orders, 10 per cent. e value of the estimated 650 aircraft for the U.S. Air Force and 15 per cent. of the sales (initial estimate 500) to third countries.

However, he spelt out that unless the European countries controlled inflation they would get less work in real terms because the contracts specified compensation based on the values of the aircraft. While inflation would affect the value of their production it would clearly reduce the numbers of units of production they could contribute, Mr. Lewis asserted.

He said that he expected all contract with European subcontractors to be signed by July. Sabca and Fairey of Belgium were likely to agree terms shortly while Fokker of Holland had reached agreement on man hours of work. Pratt and Whitney which makes the motors for the aircraft said it has received firm proposals from FN of Belgium for final engine assembly and expected a firm agreement in the very near future.

Ireland to promote smelter

DUBLIN, Feb. 23.

GOVERNMENT of the Irish blic to-day announced that to promote the establish-of a local smelter to process and lead concentrates from Navan ore body. The smelter have initial annual capacity etween 100,000 and 150,000 es, and is likely to cost in s of £50m.

e State-sponsored Industrial Development Authority is to invite established companies to take equity in the smelter company and to operate the plant.

The Government is to retain a shareholding in the company, while the two mining companies Tara and Bula will also be given an opportunity of participating. The relative percentage shareholding of the parties has still to be negotiated.

FRANCO-GERMAN REACTOR PLANS

A partnership of suspicions

BY NICHOLAS COLCHESTER, BONN CORRESPONDENT

THE FRENCH and West German Technology ministers, M. Michel d'Ornano and Herr Hans Matthoefer, have agreed to co-operate in the development of the next generation of nuclear reactors in a joint declaration which they issued after the recent Franco-German summit in Nice. It was a limited declaration expressing large intentions, little substance, and a perceptible dash of mutual suspicion.

None the less, it was based on reality. For it has become clear that the financial risks involved in building the reactors which will become standard in the past decade of this century are so great that no country should face them on its own.

Two types are involved. The first is the fast breeder, which can turn non-fissile uranium into large quantities of plutonium nuclear fuel. This reactor is thought to be the answer to the possibility of world uranium supplies dwindling. The second type is the high temperature reactor. It promises greater thermal efficiency and a whole catalogue of possibilities of using nuclear power to produce very hot gas that can drive turbines, provide process heat for industry, or transform traditional fossil fuels into more attractive forms of energy.

Within Europe, France has a lead in developing the sodium-cooled fast breeder. Its 250MW Phenix prototype reactor has operated for 12 months at high power without a major hitch. It has more than met the conditions set by its sponsors Electricité de France, for progress towards the next step of building a Superphenix producing over 1,000MW of power.

Utilities from Germany and Benelux have been backing a later venture to build a German equivalent to Phenix at Kalkar, close to the Dutch border. This reactor should be completed by 1981 but it is already suffering a disturbing cost escalation. The price in 1973 of DM1.53bn. (£299m.) has been raised by DM740m., and rough estimates suggest that the total bill by 1981 will be close to DM4bn. (£780m.).

The utilities in these four countries, France and Italy have been moving towards a mutual involvement in each other's fast reactor projects, and the trend has been reinforced by the Franco-German agreement. The Nice text provides that "substantial funds of comparable amount" will flow from France and Germany into the planned co-operation. Just what this plan is, or what part Italy and Benelux will play in it, is not spelled out. But the negotiations that precede the meeting of the ministers envisaged a joint company formed by the French Atomic Energy Commission and Interatom, the fast-reactor subsidiary of the German nuclear company Kraftwerk Union, in which German and French expertise in the field would be pooled.

The joint company would sell fast reactor licences to interested constructors across the world, on terms initially very favourable to the French. It seems that it would manage the construction of the larger successor to the Phenix at Creys Malville, on the Rhône. The treaty also makes it clear that German-French co-operation remains "open to participation by third countries . . . particularly those already co-operating with French or German organisations."

For the Germans the *quid pro quo* for subsuming their own fast reactor efforts within the successful French programme was to have been French enthusiasm for German development of high temperature reactors. It is here that the joint declaration lacks substance. Although both Governments agree to contribute "comparable" funds, there is no mention of "substantial," and these funds are only for areas of high temperature reactor development that are to be later identified as being "of common interest." Moreover, where in the preceding negotiations between the two countries the Germans had pushed for equal quantities of money being spent in each of the two areas, the final declaration only says that France and Germany should spend the same amount of money on the two areas taken together. French scepticism about the high temperature reactor stands out between the lines.

Britain knows from troubled experience how difficult advanced reactor development can be.

For the past six months West German pioneering efforts in high temperature reactor technology have looked increasingly lonely and uncomfortable. Togetherness is important in this realm of demanding temperatures and stresses, because it promises to spread the costs not only of the reactor itself but also of the equipment that must handle the "fuel cycle" that accompanies any new type of reactor. German discomfort resulted from the collapse of the high temperature programme in the U.S., where in 1973 General Atomic had nine contracts for high temperature nuclear generating stations. By last October it had none.

The major West German high temperature project, the 300MW prototype Pebble Bed reactor at Schmehausen is running 22 months behind schedule and has incurred large cost over-runs. Whereas its cost in the 1976 budget was still quoted as DM 968 million (compared with DM 903 million in 1970) the latest official estimate is DM1.5bn.

Despite this daunting background West Germany is on the brink of taking the bull by the horns, going it alone with a 1,000 MW version of the Pebble Bed. Prodded by the Research and Technology Ministry, the appropriate parliamentary committee last week decided that Germany could not wait longer to see whether the American government was willing to take over financial responsibility for General Atomic's research and development work, but must forge ahead itself. If this decision holds, Hoch Temperatur Reaktorbau, a subsidiary of Brown Boveri and General Atomic, should start to build the larger Pebble Bed reactor in 1978, before Schmehausen produces its first electricity.

West Germany has fixed its eyes on areas of complicated engineering in which it feels it must excel if it is to preserve its wealth. Atomic power is one such area and Germany is currently spending DM2bn. a year on it, DM300m. of which comes from the private sector. Already Germany has emerged alongside France as a major competitor to the U.S. in this business. That was most clearly shown by last year's DM10bn. contract to provide Brazil with a ready made nuclear industry, including a full fuel cycle.

In this light it appears natural that West Germany should not hesitate too long before developing technology that will quite clearly be part of the "next generation" of nuclear reactors. Yet the financial stakes are disturbingly high and explain why the Germans are eager to involve the French and are disappointed by being unable to inveigle the British into backing their venture. Only two months ago Herr Matthoefer was saying that the Pebble Bed type of reactor was not suitable for use in a 1,000MW generating station because of problems surrounding the control of its mobile reactor core. At that time he was still set on persuading the U.S. to join Germany in backing the General Atomic high temperature reactor of the "prismatic fuel" type. The decision now to go ahead with the larger Pebble Bed is either a bold bargaining ploy or a foolhardy act of engineering faith.

The Franco-German joint declaration extends the much-cited Bonn-Paris axis, albeit rather shakily, into European nuclear co-operation. Britain knows from troubled experience how difficult advanced reactor development can be. It has so far remained aloof, to the accompaniment of much headshaking in Bonn. One German MP claimed last week that "the next European nuclear train is pulling out, and Britain is not on it." In fact this particular train is still getting up steam and Britain could still hop aboard. The ticket will be expensive and the destination is far from assured.

HOME NEWS

Committee starts drive for new rig orders

BY RAY DAFTER, ENERGY CORRESPONDENT

AN ATTEMPT to prevent a run-down of the offshore platform building industry is to be made by a tripartite committee which meets for the first time in London to-day.

Shop stewards from Laing Offshore, the Hartlepool platform yard, will meet Mr. Anthony Wedgwood Benn, Energy Secretary, at the same time in an attempt to avert a threat of 1,300 redundancies in the next four months.

They will ask Mr. Benn for direct Government help to safeguard the future of the company. Laing Offshore has said that most of the remaining 500 jobs are dependent on a new order being placed by Marathon for operations in the Celtic Sea.

Laing Offshore is the first platform-builder seriously hit by the general shortage of orders, but other companies are reaching the end of contracts with little hope of obtaining new work in the immediate future.

Mr. John Smith, Minister of State for Energy, said yesterday that employment continuity in the offshore industry would be the prime objective of the newly-formed tripartite committee.

The committee will first consider its draft terms of reference. At present it is empowered to study ways of obtaining more orders for U.K. yards and of finding means to promote more export work.

It will also try to find a solution to problems of rising cost and to secure an adequate level of ordering.

The committee represents unions and management in the platform-fabricating industry; offshore operations; the Government; the Scottish Office; and the National Economic Development Office.

Mr. Smith, the organisation's chairman, said that the committee's terms of reference were broadly enough to enable it to examine any possibility.

The meeting will be lobbied by four delegates from the national Oil Rig Shop Stewards' Liaison Committee, a member of which said: "The industry is in a critical state and we feel we should have a say in how to bring about an improvement."

Well over 9,000 men are directly employed in the fabricating yards. Companies fear that if they are forced to shake out this skilled labour force they will have difficulty in rebuilding the fabricating teams when demand picks up. The yards' work-loads are briefly:

Highland Fabricators, Nigg Bay—labour force of 2,300 working on a platform for Ninian Field. Completion date, April next year.

McDermott Scotland, Ardersier—labour force 1,400, steel platform for the Heather Field. Completion date, April next year.

RDL North Sea, Methil—labour force 1,100, work continuing on a Brent platform, due to be floated out in April, gas platforms for Amoco and deck structures for Brent, Claymore and Ekofisk Field platforms.

Laing Offshore, Graythorp—labour force 1,800, platform for Thistle Field with completion in July. No other orders received.

McAlpines, Ardyne Point—labour force about 2,000, three platforms. Frigg Field gas treatment platform due to leave soon. Brent Field platform due completion in the fourth quarter this year, and a platform for the Cormorant Field to be floated out in May next year.

Howard Doris, Loch Kishorn—labour force 500-600, platform for Ninian, due completion by the middle of next year.

Orders are still awaited for yards at Portavadie (nearing completion) and Hunterston (under construction).

Other Home News on Page 29

State to pay £2.6m. for platform study

BY DAVID FISHLOCK, SCIENCE EDITOR

PUBLIC FUNDS totalling £2.6m. have been allocated to studies of the behaviour of offshore structures under the impact of the especially damaging combination of fatigue and corrosion encountered in the North Sea.

Announcing this yesterday, the Department of Energy released details of the latest programme—a £300,000 group of studies into concrete structures. Industry is to find £100,000 of the cost.

The Government is responding to recent attacks alleging that North Sea structures are stretching engineering design beyond the limits of knowledge of materials under such hostile conditions.

This criticism was voiced at a conference on offshore structures organised by the Underwater Engineering Group of the Construction Industry Research and Information Association (CIRIA) earlier this month.

The biggest research programme mounted by the Department of Energy—it will account for almost £1m. in the current year and another £474,000 next year—is the U.K. Offshore Steels Research Programme, under the direction of the U.K. Atomic Energy Authority, with participation by the Welding Institute and the National Engineering Laboratory.

This programme is investigating corrosion, fatigue and fracture of structural steels used in North Sea platforms and includes full-scale testing of welded joints for such structures.

The energy department is also paying for the installation on BP's Forties FB platform of instruments to monitor the steel structure continuously at a cost of £120,000 last year and £130,000 this year.

The latest component of this research effort is a group of seven projects concerned with the use and long-term performance of concrete in offshore structures. Construction Industry Research and Information Association will find a third of the cost.

The programme was drawn up by the Cement and Concrete Association at the request of the Department of Energy and includes studies on the strength, fatigue life and modes of failure of concrete structures in a marine environment.

Bigger share of investment goes to assisted areas

BY ROY HODSON, REGIONS EDITOR

A MARKED SHIFT in new industrial capital investment from the Midlands and the South of England into the assisted areas took place between 1974 and the middle of last year, according to official regional investment statistics published yesterday.

For the first time the Government has released figures that enable regional industrial spending to be analysed on an on-going basis and the trends in the assisted areas to be monitored. It intends to publish a quarterly account of manufacturing industry's capital expenditure by regions.

The share of the non-assisted South and the Midlands declined from 46.5 per cent. of all manufacturing investment in 1974 to 42 per cent. by the second quarter of last year.

The resources diverted went into Scotland and Wales, the North of England, and the Yorkshire and Humberside region.

The figures imply that the Government's policies for regional regeneration and expansion—costing £400m.-£500m. a year in 1974 and £600m. a year since the regional employment premium was doubled—began to be more effective as the recession loomed and industry became more selective about investing and more concerned with Government grants.

During 1974 U.K. capital expenditure was £3.24bn., of which more than 80 per cent. was invested in plants in England, 9.4 per cent. in Scotland, 6.1 per cent. in Wales and 2.2 per cent. in Northern Ireland.

By the second quarter of last year the share of new investment going to England had fallen to 80 per cent.

Assisted regions were receiving greater shares of total investment—with the single exception of the North-West region.

The vital engineering and vehicles industries are mainly investing outside the assisted areas, according to a regional analysis accompanying the figures. Investment in food, drink and tobacco is also being largely concentrated outside them.

In the North of England and Wales up to 60 per cent. of total new manufacturing investment is accounted for by chemicals, coal and petroleum products and metal manufacturing.

The coverage of the new figures is the same as for the Government's quarterly series of manufacturing industry's capital spending and the estimates are based on returns from a sample of firms, mainly the larger ones.

MANUFACTURING INDUSTRY'S CAPITAL SPENDING BY REGION

(Current prices, not seasonally adjusted)

PERIOD	ENGLAND North	N.W.	Yorks. & Hum.	Rest	Total of U.K. total	SCOTLAND	WALES	NORTHERN IRELAND	U.K. £m.
1974 Year	10.4	14.2	11.2	46.5	82.3	9.4	6.1	2.2	3,242
1974 1st Qtr.	9.0	14.0	10.7	48.0	81.7	9.0	6.6	2.7	722
2nd	10.6	15.1	10.4	47.0	83.1	9.4	5.2	2.3	723
3rd	9.8	14.1	11.5	48.1	83.5	8.6	6.0	1.9	821
4th	11.7	13.9	11.3	43.5	80.9	10.5	6.6	2.0	975
1975 1st	12.7	13.8	12.0	41.4	80.0	9.7	8.6	1.8	877
2nd	12.6	13.0	12.6	42.0	80.2	11.7	6.4	1.7	844

Third of cash-and-carry wholesalers 'may go'

A WARNING that a third of cash-and-carry operators might be forced out of business in a few years unless they "streamlined" their operations has been given by Mr. David Lingham, chairman of the Cash and Carry Section of the Wholesalers' Federation.

The industry, which developed rapidly in the late 1960s, is seriously threatened by the combination of reduced turnover and rising overheads, Mr. Lingham said in the Grocer magazine.

The problems faced by the independent grocery—the cash-and-carry operators' traditional customer—meant that many less efficient companies might be forced out of business.

Turnover, according to Mr. Lingham, is 5 per cent. down in cash terms on a year ago. Allowing for inflation this means volume sales are probably down by as much as 20 per cent. Overheads, such as wages, are going up faster than ever before. A £6-a-head wage rise, he said, would be too much for many companies to "absorb."

Many cash-and-carry operators must either reduce staff by natural wastage, or make up to 20 per cent. redundant.

New Drypool buyer likely

HOPES THAT part of the Drypool shipbuilding and engineering group can be saved from closure increased yesterday in spite of the withdrawal from negotiations of Sir Ian Stewart, the Scottish industrialist.

Mr. Robert Smith, the Drypool liquidator, said he was "reasonably confident" of negotiations for the take-over of the company's Selby shipyard with another prospective purchaser.

Honeywell wins first UK. university computer deal

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

HONEYWELL has achieved its first breakthrough into the lucrative British university market for computers with an order worth well over £1m.

The Computer Board for Universities and Research Councils announced yesterday that Aberdeen University is to take a system based on two of Honeywell's large Level 66 Model 20 machines. It will replace an ICL System 4/70.

The significance of the deal is twofold. First British universities have generally tended to buy from IBM and Britain's ICL for their large system needs. Second, the order comes at a time of considerable speculation about the future of Honeywell's plant at Newhouse, Scotland, which makes the Level 66.

The main reason given for choosing Honeywell is its advanced IDS II database system. Aberdeen University has been closely involved in the development of databases—one of the newest trends in the computer industry.

Ashley Ashwood

Mrs. Margaret Thatcher, Leader of the Opposition, yesterday opened an exhibition of wool carpets, all of which are due to be held under price restraint for the next six weeks. The carpets, which are priced at under £8 per square yard, are on display at the International Wool Secretariat's headquarters in London, and are available through eight leading department store groups, with a total of nearly 400 branches.

Talks called on forming 'State CBI'

By Adrian Hamilton

THE HEADS of about 20 of the largest nationalised industries meet to-morrow morning to consider establishing a permanent organisation to represent their views to Government and public. The meeting at the offices of the Electricity Council, will be chaired by Sir William Ryland, chairman of the Post Office.

The decision to consider a "State industries CBI" comes partly in response to increasing pressure by the Government to gain a nationalised industry view on economic policy, and partly in answer to the common concern by chiefs of State corporations about such issues as pay and pricing.

Increased

Chairmen of the seven largest corporations have met at monthly luncheons for more than a decade on an informal basis. But in the last two years the number of nationalised organisations has increased considerably, and the Government has started to call irregular meetings with a wider range of about 20 corporations to discuss formulation of its counter-inflation policy.

The objective of to-morrow's meeting will probably be confined to setting up a permanent secretariat for the State industries and deciding how it should be staffed and report to members.

There remain differences of opinion among major corporation chairmen as to who should be included in membership and how far such a body can represent views of all members.

NEB has share in another tender

BY ADRIAN HAMILTON

THE National Enterprise Board is now involved as a partner in a second tender for a major construction and engineering contract abroad.

The Board, which for several months has been studying the problems of British companies attempting joint tenders for high-cost turnkey contracts, is talking to several companies about forming such partnerships.

The first tender, reported yesterday, is a joint enterprise with Rio Tinto-Zinc and GEC for a desalination plant and an associated 180 MW power station in Dubai.

The Board would not be drawn yesterday on the second tender. Award of the contract is some time away. NEB is still tying up the details of its equal partnership and responsibilities with the two companies.

Major projects

It has made a number of approaches recently in an effort to boost British orders in a market for major turnkey projects worth more than £1,000m. at present.

The Board's interest comes at a time when the Government has been expressing increasing concern that U.K. companies could miss out on the growing demand from developing countries for large-scale engineering contracts because of the sums involved and the reluctance of companies to undertake "joint and several" risks.

The central contribution which the NEB could make, its officials feel, is not in the actual handling of the tenders but in bringing the partners together, reducing some of the financial strain on companies which might be involved in several tenders each worth £100m. or more, and in providing a solution to the "joint and several" risks difficulties as lead contractor.

The NEB is also known to feel that Governments, particularly in the Middle East and South America, now prefer to deal with consortia with some state involvement, preferably as lead contractor.

At present the Board is not limiting its interest to any particular contracting field but is concentrating on partnerships with large companies of international standing and on contracts that would involve substantial supplies of equipment from Britain.

Catalyst

This fits in with the philosophy of the Board's chairman, Lord Ryder, who has argued strongly that his organisation should act not only as holder of the state's interests in companies but also as a catalyst to help British industry during the depression.

In addition to this initiative on contract tenders, the Board is negotiating with engineering companies for the creation of a counter-cyclical stock of semi-finished machine tools which could be finished off and sold once the economic revival gets going.

Its interest in contract tendering is being developed by Mr. Leslie Murphy, the Board's deputy chairman, and several experienced executives from industry are being recruited.

SE reaffirms support for direct settlements

BY MARGARET REID

THE STOCK EXCHANGE has reaffirmed its strategy over the steps towards its Talisman computerised settlement system—due to start in 1979—after rejecting a possible variant, for firms outside London, of one preliminary stage.

In a letter to senior partners of all the exchange's firms, Mr. Nicholas Goodison, the new chairman, says: "The council is determined to implement the Talisman system of direct settlement between brokers and jobbers via a Stock Exchange depository."

To achieve this, the exchange has first to establish facilities for handling stock and ways of reporting and accounting for bargain settlement throughout the country—the checking and accounting stage known as CHARM.

Mr Goodison says that good progress is being made, after some setbacks, towards setting up this preliminary stage in London, but that some country firms had thought there might be a cheaper alternative.

This possibility, known as THRIFT, was considered by a working party headed by Mr. Robert Fell, the exchange's chief executive. But, says Mr. Goodison, it concluded that "although other systems might be devised, CHARM offers the cheapest and surest way of preparing for Talisman."

Charges will shortly be published for the CHARM checking and bargain - accounting in London, which will give an indication of charges for that system throughout the country. Estimates are that Talisman will cost member-firms some £9m. a year, but that savings should amount to £13m. annually, at 1975 prices.

Two bank chiefs attack State borrowing

BY MICHAEL BLANDEN

THE NEED for improved profitability in industry and the dangers of Government borrowing "crowding out" industrial finance were underlined last night in speeches by leading bankers.

Sir Eric Faulkner, chairman of Lloyds Bank, contrasted the U.K. banking system with the practice in Continental countries such as West Germany. "To suggest that the fall off in capital investment in industry is the fault of the banks seems to me just ridiculous," he said.

Mr. Deryk Weyer, senior general manager of Barclays Bank, welcomed the Government's acceptance of the need to retrench on public-sector spending, but said it was too early to tell whether the Chancellor had done enough.

Both spoke at Institute of Bankers dinners, Mr. Weyer at Richmond and Sir Eric in Manchester. Sir Eric made five main points in reply to the recent criticisms of the banking system and arguments that it should undertake longer-term investment in industry on the lines adopted in Germany and France.

There was no evidence, he said, that German or French banks had been more efficient in promoting economic growth than their British counterparts. It was not shortage of funds which had deterred industry from buying new plant but "the inability to be sure that the necessary cash outlay will result in a commensurate return within a reasonable time."

The profitability of British industry had fallen sharply as a result of heavy taxation, cost rises and general inflation. "And the biggest ingredient of inflation of all is Government overspending, resulting in an immense gap between its revenue and expenditure."

Third, the prime responsibility of banks as short-term lenders must be to their depositors. "an ancient and elementary rule of banking." German bankers themselves admitted that they had been forced into longer-term commitments and would prefer the U.K. system. Finally, the overdraft system, based on short-term funds was the cheapest and most flexible method of borrowing and the use of available facilities being made by industry at present was the lowest he could remember.

Mr. Weyer said that the pre-empting of savings by the Government's requirements mattered less at present, when industry's demands for finance were low. "But the prerequisite of a prosperous economy is that industry's demands should be high, both for maintaining higher levels of stock to meet growing business and for plant modernisation."

It would be disastrous if industry's needs were crowded out by the Government when economic expansion came. "Unless the community's real savings are tapped to provide funds for industry at reasonable prices through the banks, the Government will have to print money and the inflationary spiral will start again."

● NEWS ANALYSIS — BRENTFORD NYLONS

Expanding into trouble

BY RHYS DAVID

AFTER ALL the protests about imports, particularly of clothing, it is perhaps a little ironic that the most spectacular textile casualty of the recession so far is a big household textiles concern—the Brentford Nylons sheets, blankets and shops organisation.

Although Brentford has been in a sector which has grown fast in recent years and experienced less of an imports problem than others, the announcement that the receiver has been called in will not cause much surprise in textile trade circles.

Brentford could once claim to be the most widely advertised U.K. textile concern and one of the biggest spenders on commercial television, but as a privately-owned company in the hands of the Armenian Metrebian family it has never disclosed much about itself.

Nevertheless, the moves it has made in recent months have all pointed to trouble within the company stemming from the blow dealt it by the illness of Mr. K. Metrebian, the all-powerful chairman.

Mr. Avak Kassabian, the vice-chairman, has had to step in to handle the difficult problem of how to introduce important new sheet-making capacity at a brand new plant at Cramlington, Newcastle, at a time when there was a big slump in demand.

Cash position

The result has been a serious strain on the company's cash position, with sales in the 70 Brentford Nylons shops falling off badly as consumers have cut back on their textile spending.

In a bid to conserve cash the company cut out its loss-making garment operations in Scotland and the north-east with the loss of about 700 jobs and a wages bill saving of £5m. The mail order operation—the cornerstone of the company's original penetration of the U.K. household textiles market—was also dropped. It had already shrunk because fewer customers could afford the postage.

With demand in the shops falling away badly at the end of last year, Brentford put its 1,400 household textile workforce on short-time in November—though the full-week working was later restored—but it appears that these efforts have not been enough.

Though accounts have not been published since 1973, when the company reported a profit of £355,000 on turnover of £20.4m., against £904,000 profits the previous year, it is thought that profits were down again in 1974 and that heavy losses were made at the end of 1975 after a break-even situation in the earlier months of the year.

Prices held

The company has held prices of it main polyester-cotton sheet lines at up to 50 per cent. below those of some competitors—though quality and style are not directly comparable—but even this price difference has evidently failed to generate sufficient custom.

There are hopes that the company can be resuscitated, but its failure will be seen as the end of a highly original chapter in textile marketing. Backed by massive advertising, Brentford created virtually single-handed a vast market for nylon sheets in the U.K. and sold them largely through mail order.

The goods were not cheap, though. Brentford entered the market at the top end and still managed to capture as much as one third of sheet sales in the U.K.—the only market in which significant nylon penetration was ever achieved.

In recent years, however, the big textile groups have hit back with heavy promotion of printed and patterned cotton-polyester sheets and it has been its effort to compete in this sector which has brought Brentford down.

The company's investment in Newcastle is put at some £20m.—though this may be on the high side—with plans to install initially about 12,000 spindles and 710 looms. This would have given the company the capacity to supply about 4.5m. pairs of sheets a year out of an estimated total consumption of around 16m. pairs in the U.K.

New backing

The burden of this investment, coming when the market was no longer growing at the same rapid rate as in the early 1970s, when the introduction of the cotton-polyester sheet gave the industry a boost, has clearly proved too much for the company — which failed to develop export markets — and its creditors who include, apart from the fibre companies, Barclays Bank.

A substantial effort will clearly now be made to see if new cash backing can be obtained for the group, which employs more than 3,000 people and which, even last year may still have been holding 20 per cent. of the U.K. sheet market in nylon and cotton-polyester.

A question-mark will almost certainly be raised, though, over the close integration of the company's manufacturing and retailing operations — a combination which can go well at times of heavy demand, but which can come badly unstuck at other times, as the Cyril Lord crash in the 1960s proved.

FT CLIPPER RACE — BY ALEC BEILBY

Drenched and speeding GB II expected home to-morrow

IT LOOKS like a to-morrow afternoon finish for Great Britain II as she nears the end of her 13,500-mile non-stop voyage from Sydney to Dover in the Financial Times Clipper Race.

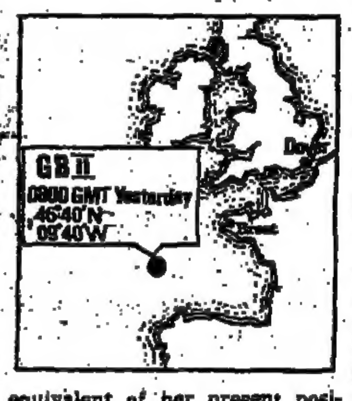
As well as adding the second-leg winner's prize to that she won over the first leg, from London to Sydney, she will collect the Financial Times Patriarch model for the best time over the whole circumnavigation.

The prize, specially commissioned from Bassett Lowke of Northampton is a scale model of the clipper Patriarch which, on her maiden voyage to Australia and back in 1869-70, established a 69-day record for the outward and homeward voyages under sail.

That is the record that Great Britain II, a 77-ft yacht only a quarter the overall length of the old clipper, should beat, all being well, by completing the final 500 miles before Saturday.

How long she will keep the record for the return voyage will depend on the progress of the French ketch Kriter II, now heading for the equator and the Doldrums.

Restarting from Australia 27 days after the British yacht, she is now two days ahead to the equivalent of her present position.



Chief Petty Officer Roy Mullender, skipper of the British yacht, reported to the Army Apprentices School at Harrogate yesterday that he and his team of Servicemen were still averaging 10 knots and at 8 a.m. were 200 miles WSW of Ushant.

It seems that the severe weather that had given them an even better speed has moved north, held out of the Western Approaches and the Channel by high pressure over Scandinavia. But the forecast for Biscay and Sole, to the west of the Channel, is still of fresh westerly winds, exactly what is needed to give Great Britain II her best speed for the final miles.

Anything other than easterlies will suit the yacht which, since passing the Azores and with the help of storms in the eastern Atlantic and Biscay, has been able to steer the shortest route for home at maximum speed.

The weather during the past few days, although ideal for breaking records, is described from the yacht as thoroughly unpleasant, with the helmsman and those on d[illegible] continually drenched by icy seas as the Great Britain II plunges and surfs through the breaking rollers—a sharp contrast to the warm calms last week off the Azores, when the crew were able to have a swim.

Race officials are debating whether the Australian yacht Anaconda II should be penalised for receiving outside assistance when special charts were dropped to her for use with her Omega navigation system while she was off the Penrod oil rig to the south of New Zealand. It seems unlikely that any penalty could affect the overall result.

GREAT BRITAIN II position: 08.00 gmt Feb. 23. 46 40 N., 9 40 W.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C
Anzere	40	85	Fair	Sun	6
Champery	25	60	Good	Fine	4
Crans	25	90	Good	Fine	2
Les Menuires	60	130	Good	Fine	−4
Sauze d'Oulx	30	155	Good	Fine	4
Seefeld	40	90	Good	Cloud	3
Val d'Isere	90	170	Good	Fine	−1
Villars	30	120	Fair	—	7
Wengen	40	180	Good	Sun	4

The above snow reports are supplied by representatives of the Ski Club of Great Britain. L refers to lower slopes and U to upper slopes. The following reports have been received from other sources:

	L	U	State of Piste	Weather	°C
FRANCE					
Alpe d'Huez	132	300	Good	Cloud	—
Chamonix	20	150	Good	Cloud	—
Courchevel	65	120	Good	Cloud	—
La Clusaz	60	150	Good	Sun	—
Les Deux Alpes	90	200	Good	Sun	—
Les Gets	55	190	Hard	Cloud	—
Megeve	50	140	Good	Sun	—
Pra-Loup	60	130	Good	Sun	—
St. Gervais	80	120	Good	Cloud	—
ITALY					
Bardonecchia	80	130	Good	—	—
Canazei	25	200	Good	Cloud	—
Cervinia	60	200	Good	—	—
Claviere	55	105	Good	—	—
Cortina	30	110	Good	Sun	—
Courmayeur	30	400	Good	Fair	—
Macugnaga	30	150	Good	—	—
Madonna di C.	30	150	Good	Fair	—
San Martino	35	100	Good	Cloud	—
Sestriere	100	150	Good	—	—
NORWAY					
Finse	210	240	Good	—	−6
Geilo	60	70	Good	—	−4
Gol	35	65	Good	—	−1
Lillehammer	30	90	Good	—	−5
Norefjell	80	75	Good	—	−4
Oslo	35	75	Good	—	−5
Rjukan	85	130	Good	—	−5
Voss	125	145	Good	—	−1

Meriden motor-cycle 'on road in April'

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE FIRST motor-cycle to carry the name Meriden, the motor-cycle cooperative near Coventry, should be on the road in April. Under an agreement in Italy with Moto Guzzi, the co-operative will begin assembling a 125 cc model from imported kits providing final details on costings can be agreed.

At present the Meriden factory is restricted to the Bonneville 650 cc, which it used to make under the Norton Villiers Triumph banner before ex-employees took over the factory with Government help after an 18 month sit-in resulting from NVT's decision to close it in September 1973.

Negotiations with Sig. di Tomaso, managing director of Moto Guzzi were concluded in principle last week.

An initial batch of 2,000 machines in component form should begin arriving at Meriden in April to enable the co-operative to catch the summer trade. In the late summer Meriden plans to move to Stage Two of the agreement, which enables British components to replace Italian ones.

"We have had the utmost co-operation from Sig. de Tomaso and if all goes well we shall use the period April-August or thereabouts to develop British replacements," Mr. Denis Johnson, the co-operative's chairman, said last night.

Meriden is being allowed to make its own marketing arrangements with Moto Guzzi's U.K. concessionaires, Coburn and Hughes of Luton, which has more than 100 outlets.

The ability to use U.K. components and market independently should strengthen Meriden's cash flow. So far it has had to sell Bonnevilles at a fixed price for NVT to market, and the greater profit comes from marketing rather than manufacturing.

Moto Guzzi is a leading quality manufacturer with a range from mopeds to six-cylinder 1,000 cc machines from three factories.

● At West Bromwich talks continued yesterday over the sale of Jensen Motors, the specialist car-builder in the hands of a receiver-manager.

Life Offices Association elects Abbey, Hambro

BY ERIC SHORT

ABBEY LIFE Assurance and Hambro Life Assurance, the two largest linked life companies in the U.K., were elected yesterday to membership of the Life Offices Association together with three other linked life companies—Cannon Assurance, Langham Life Assurance and Schroder Life.

Mr. Kenneth Allen, chairman of the association, said that the new members gave a high level of support within the life assurance industry for the new premium related commission structure which was agreed finally last July and is to be introduced on July 1 this year.

Mr. Mark Weinberg, chairman of Hambro Life, said that now the old commission structure of the association had been removed and the new premium-related system introduced many linked companies had sought or were seeking membership.

The new members will bring the amount of ordinary business written in the U.K. by members of the Life Offices Association and the Associated Scottish Life Offices to about 95 per cent. of the total.

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LABOUR NEWS

'Retire early' is miners' priority

By Our Labour Correspondent

NOTTINGHAMSHIRE MINERS have put demands for early retirement and improved pensions and sick pay above a move for pay increases of up to £33 a week.

Branch meetings of the Notts area of the National Union of Mineworkers have endorsed the decisions of a recent delegate conference which put forward demands for early retirement, improved pensions and sick pay as the areas three motions for the union's annual conference in July.

A motion calling for £100 a week for coal-face workers came a poor fourth and, therefore, becomes the area's reserve resolution for the conference.

Other NUM areas have yet to consider their conference motions and there is little doubt that one of the union's militant areas will put up a challenge to any renewed voluntary wage policy which may be agreed by the TUC and the Government to replace the £6-a-week limit which expires at the end of July.

The NUM Left may rally round the £100 figure which they failed to have adopted as last year's claim, although it was agreed as a longer-term target figure for face workers who earn £61 a week plus the £6-a-week supplement just agreed with the National Coal Board.

The Notts NUM area council yesterday endorsed last week's NUM executive decision to lift the national overtime ban called in protest at plans to run down Langwith colliery in Derbyshire.

Seven hundred miners at Teversall colliery, Nottinghamshire, about eight miles from Langwith, are continuing the overtime ban until they are assured by the Coal Board that their pit is not in danger of closure.

The Coal Board told the Teversall miners that they had "nothing to worry about at present," but their pit would have to close in a few years. When the time came, there would be jobs available at other collieries in the area.

TUC unions fail in move against staff group

BY LORELIES OLSLAGER, LABOUR STAFF

TWO TUC-AFFILIATED white collar unions have failed in a bid to oust a small staff association from the joint negotiating body for managerial and higher executive grades in the electricity supply industry.

The staff association, the Association of Managerial Electrical Executives, failed in turn in its bid to have only one organisation represent the 1,700 highly paid staff concerned.

Representation of the staff association and the two TUC affiliates—the Electrical Power Engineers' Association and the National and Local Government Officers' Association—on the joint negotiating body was the subject of a special inquiry by the Advisory Conciliation and Arbitration Service last year. The findings were published yesterday.

The inquiry was in no way connected with present moves by TUC affiliated unions to challenge the standing of staff associations as independent trade unions under the Employment Protection Act.

It was set in motion after the Electrical Power Engineers' Association withdrew from the joint negotiating body for higher executives earning between £5,600 and £12,500 a year because it claimed that the distribution of trade union seats did not reflect the strength of membership.

ACAS was asked by the Electricity Council, representing the employers, to examine the distribution of the ten trade union seats.

Each of the three organisations had previously held three seats, with the remaining seat reserved for the union which provided the staff side chairman.

During the inquiry, the Electrical Power Engineers' Association and NALGO suggested that they alone should represent the higher managerial and executive staff.

The staff association called for the formation of a single body to represent the staff concerned.

Both suggestions were turned down by ACAS. Instead, it recommended that the staff side seats should be redistributed to correspond as closely as possible with present membership—55 per cent. in the Electrical Power Engineers' Association, 19.9 per cent. for the staff association and 18 per cent for NALGO.

This means six seats for the Electrical Power Engineers' Association and two seats for each of the other two.

ACAS found that the staff association, although a weak negotiating body with only about 350 members, had considerable support —to the extent that only 20 per cent. of the staff would approve its exclusion.

Chemical employers agree to set up joint working party

BY OUR LABOUR STAFF

THE CHEMICAL Industries Association, representing small and medium-sized chemical companies has agreed to set up a joint working party with trade unions to examine ways of achieving greater consultation on manpower planning and investment strategies.

Mr. David Warburton, the General and Municipal Workers' Union national officer for the chemical industry, announcing the agreement at the union's chemical industry conference, said that "the aim is to have a dialogue at those levels where it matters most—at company and plant level."

The working party with the Chemical Industries Association had been set up within the "Little Neddy" for the industry.

Need for unions to discuss manpower and investment strategies with employers "as of right" was a recurring theme of Mr. Warburton's speech.

In line with his union's opposition to TUC proposals for industrial democracy, he said the GMWU did not seek to introduce worker-directors into boardrooms of chemical companies.

As the chemical industry was highly "capital-intensive," the GMWU sought "even greater investment than is currently the case."

As well as negotiating manpower and investment plans with unions, chemical companies should make planning agreements with the Government "in liaison with the trades union movement."

In the pharmaceutical industry, Mr. Warburton said, there was "an overwhelming case for the public ownership of at least one of the larger companies." Pharmaceutical companies were notable for high profits and low wages, and had effectively resisted all union pressure for effective disclosure of information.

● A GMWU national conference of hotel and catering workers in London yesterday agreed on a more vigorous campaign to recruit employees in the industry. It called for a national minimum wage of £40 for a 40-hour week.

Ransome £6 pay rise still in doubt

By Our Labour Staff

MORE THAN 2,000 workers at the Ransome Hoffmann Pollard roller-bearing factory at Newark, Nottinghamshire, returned to work yesterday after a week-long strike, in spite of the likelihood that the Department of Employment would advise that a £6 pay rise—the second such rise in six months—breaks the Government's pay policy.

The Department has told the company and union officials that the £6 rise given to the workers in July meant that no new increase could be given until next July.

The Amalgamated Union of Engineering Workers, the main union involved, claimed that the July rise had been for only six months.

The strikers returned to work after the company agreed to the £6 rise, back-dated to the beginning of January, if the Department approves.

Management and union officials met at the factory yesterday to establish their case before seeing Department officials again later this week.

The joint union-management argument, however, is unlikely to differ substantially from that rejected by the Department at an earlier meeting. It said then that another £6 rise would contravene the 12 months rule, under which only £6 can be paid over a whole year.

TGWU plans to curb Thornett at Cowley

BY OUR OXFORD CORRESPONDENT

THE Transport and General Workers Union is moving to prevent Mr. Alan Thornett, the Trotskyist British Leyland shop steward known as "the Mole," from becoming chairman of the joint shop stewards' committee at Leyland's car assembly plant at Cowley.

Officials of the TGWU have advised Mr. Reg. Parsons, the senior shop steward and outspoken critic of Left-wingers at the plant, to organise an election of a chairman by the union shop stewards.

They suggest that only the senior steward or his elected deputies should be nominated. If their advice is accepted, Mr. Thornett will be excluded because he failed to get elected in a factory ballot as a deputy.

Mr. Thornett is chairman of the union's biggest branch in the factory. Traditionally the TGWU branch chairman becomes chairman of the joint shop stewards committee, but there are now two branches in the factory and this rule can no longer apply, says the union.

Some stewards are backing Mr. Thornett's claim to be acknowledged by Leyland as chairman of the joint shop stewards not officially recognised by the company as a negotiating body.

Leyland has told the TGWU that it would recognise Mr. Thornett only as a departmental shop steward, and not give him approval to act in any other capacity.

GUS redundant offered £¼m.

A £250,000 severance pay offer has been made by Great Universal Stores to 500 redundant staff of the GUS men's wear subsidiary John Temple, the Union of Shop, Distributive and Allied Workers said yesterday. This is more than the normal redundancy money.

The offer will be considered at union meetings this week, before a national delegate conference in Manchester next Monday.

Union calls for Press 'code of practice'

ALLEGATIONS of bias in reporting and presentation of news will be heard at a conference of Yorkshire Regional Council of the Labour Party at Scarborough next month.

A resolution from the Union of Construction, Allied Trades and Technicians condemns what it describes as an attempt by certain newspapers to influence voting procedures in union elections. It calls on the Government and trade unions to draw up a "stringent" code of practice for the media.

A resolution from Leeds North-East says the "bias against the Labour movement" by Press, radio and television has reached such proportions as to make it a political issue. It calls for a one-day conference to examine this and "to consider ways we can put forward our views without misrepresentation."

A resolution from Scarborough says the public could be better protected by police with the return of more policemen to the beat.

One from Hull East condemns "the recent jailings, fines, attacks and police harrassment on pickets involved in industrial disputes."

The Prime Minister and Mr. Ron Hayward, general secretary of the Labour Party, will speak at the conference.

Blackwell's settlement

BLACKWELL'S, the Oxford booksellers, has agreed to recognise the Transport and General Workers' Union and to re-employ a member who the union claimed was sacked after being demoted. The company says that the man, Mr. Ted Heslin, resigned.

Under the terms of the settlement of the month-long dispute he is to take the job which he turned down before the strike began.

Both sides agreed to a new disputes procedure which allows the union to represent members who have a grievance. The agreement will also allow non-trade unionists with the firm to to be represented by a third party if they are in dispute.

Fifty members of the TGWU accepted the terms yesterday and agreed to go back to work to-day. Blackwell's claimed that business had continued normally during the dispute.

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PARLIAMENT

Sensible to separate students, Minister claims

Tories suspect Foot device to keep down jobless total

MR. MICHAEL FOOT, Employment Secretary, was yesterday accused of "tinkering" with the unemployment figures to avoid newspaper headlines showing more than 1.5m. jobless.

Mr. Foot had explained that from next month, the number of adult students registering for vacation employment would be published separately from the main figures.

The flow of more than 100,000 on-and-off the register had distorted changes in the unemployment figures in six months of each year, and had "created considerable problems" in interpreting the figures.

Mr. Foot said that to-day's unemployment total would show a "considerable fall"—almost entirely due to students leaving the unemployment register.

He stressed that an announcement by the Education Secretary, Mr. Mulley, of a change in student support arrangements in the 1976-77 academic year meant the number of students claiming supplementary benefits at Christmas and Easter would fall from Christmas 1976.

Mr. Barney Hayhoe, Opposition employment spokesman, said that Mr. Foot's "tinkering" seemed to be directed towards avoiding newspaper headlines about over one and a half million unemployed next April at the start of the trade union conference season.

"This is one more example of you putting short-term political presentational considerations first," he declared.

Mr. Foot said that neither his statement nor the Education Secretary's announcement implied any criticism of students who had put down their name for supplementary benefit. "But we do think it is a common sense arrangement for those not seeking permanent employment not to be included in this way."

Mr. Phillip Whitehead (Lab. Derby N) said it was difficult to take in the news of the student support arrangements without having seen the actual statement. "Are you happy that this will not be seen by students as rather a sleight of hand?" Many students had to pay rent for their halls of residence while not actually studying.

Mr. Foot denied it was a sleight of hand, and added that the Employment Department and the students themselves would have an opportunity to discuss the scheme. He did not believe there would be any misapprehensions about it.

Mr. Peter Hordern (C Horsham and Crawley) said that many other people were seasonally unemployed and there was no case for distinguishing students separately from these people. The figures which the Tories really found disturbing were those for people unemployed for more than six months.

Mr. Foot said he did not accept the proposals made by the Centre of Policy Studies. He admitted there were other people not seeking permanent employment.

Mr. John Pardoe (L., Cornwall N.) said that now both major parties had agreed "that unemployment is actually good for us, should you not accept the invitation to fiddle the answers so that all future Governments can be absolved from their responsibility for dealing with it."

Mr. Foot retorted: "I do not think unemployment is good for anybody—including me. It is an appalling business." He thought Mr. Pardoe had made a joke "in very poor taste."

When Mr. Foot told **Mr. John Mendelson** (Lab., Penistone) that it was not normal to make a statement when unemployment figures themselves were published, Left-wing backbencher, **Mr. Dennis Skinner** (Lab., Bolsover) shouted: "They are not normal figures."

Mr. Skinner urged that while the figures remained abnormal, "it would do the Government good to send the Minister responsible to the Despatch Box every time to try and explain why they have reached such extraordinary totals.

"While you might be spiriting away a few thousand students from the list as a result of what you have said, it will need more than spiritualism to get rid of the current 1½m. who are unemployed. It will need some positive action from this Government."

Mr. Foot: "I am not spiriting away anything. All I am proposing is a commonsense way of presenting these very serious figures."

Mr. Mike Noble (Lab., Rossendale) said that, in determining policy, it was more important to look at the loss of job opportunities, than just the level of the statistics. The use of this criterion might persuade the Government to give development area status to North-East Lancashire.

Mr. Foot said loss of job opportunities was something that was taken into account by the Government.

Mr. Frederick Burden (C., Gillingham) pointed out that although the figures to be published to-day were likely to be lower than last month, they would be higher than the comparable month last year and this was the relevant figure.

Mr. Foot said: "Anyone can make comparisons between the period of a year ago or any other. Of course, the removal of the students from the total figure, although they will appear in the statement, will not alter in any way at all the seasonally adjusted figure for unemployment which is the true figure to be taken.

"Students have always been excluded from that figure, and it would be right for the House and the country to pay attention to the seasonally adjusted figure."

Dr. Jeremy Bray (Lab., Motherwell and Wishaw) asked whether the seasonally adjusted figure on the new basis would be published for past months and years. He also wanted to know whether the numbers unemployed for a period greater than six months would be published every quarter, and the number unemployed for more than four weeks, every month.

Mr. Foot: "We publish the full figures and there will be no attempt to suppress them at all. I would emphasise that what I have said to-day makes no difference whatsoever to the seasonally adjusted figure."

Vacation benefit changes

STUDENTS will no longer be able to claim supplementary benefit during their winter and spring vacations, Mr. Fred Mulley, Education Secretary, told the Commons yesterday. But he added that students who could not find work during the summer vacation would continue to be able to claim supplementary benefit, if they had not enough income to support themselves.

Mr. Mulley said that he was planning to change the student support arrangements for the 1976-77 academic year, so that the student's personal maintenance award would apply solely to term time attendance and the winter and spring vacations.

"It will no longer provide for the summer vacation when there are normally opportunities for students to support themselves. A further review will be needed for the arrangements to apply in subsequent years.

"I am advised by the Social Services Secretary (Mrs. Castle) that, as the grant will, on average provide the equivalent of at least the supplementary benefit entitlement of the single non-householder for the short vacations, it will no longer be necessary or appropriate for the majority of students to claim supplementary benefit in those vacations.

"Students who are unable to find vacation employment in the summer will continue to be able to claim supplementary benefit if they do not have enough income to support themselves."

No hasty cuts in Civil Service

BY JOHN HUNT

A PROMISE that there will be no hasty or arbitrary cuts in the size of the Civil Service despite the long-term reductions proposed in the public expenditure White Paper was given to the Commons yesterday by Mr. Charles Morris, Minister of State for the Civil Service.

Mr. Geoffrey Pattie (C, Chertsey and Walton) suggested that the size of the reduction, starting in 1978, would be 30,000. He wanted to know how this could be reconciled with an earlier statement by the Minister that there would be an increase in the number of civil servants in the immediate future.

Mr. Morris told him that the White Paper proposed a cut of £130m. in expenditure on the Civil Service, but that this could be interpreted in a variety of ways.

"We are not embarked at this stage on immediate cuts," he went on. "For some time yet, the number of civil servants is likely to increase. What we are embarked upon is to review thoroughly all aspects of the work of the Civil Service."

Advice

Mr. John Stonehouse (Lab., Walsall N) complained that over the past 12 years, the work-load of the Civil Service had gone up by between 6 and 8 per cent, while the number of non-industrial civil servants had risen by ...) per cent. But the Minister told him that he did not accept these statistics.

Mr. Morris also came under pressure over the number and the salaries of special advisers to Cabinet Ministers. He told Mr. Ian Gow (C., Eastbourne) that those who do not have such advisers are the Lord Chancellor, the Law Officers, the Lord Privy Seal and the Departments for Industry, Employment, Defence, Scotland, Agriculture and Overseas Development.

Mr. Gow complimented these particular departments and urged that there should be a reduction in the salaries of the special advisers to 14 members of the Cabinet which, he estimated, were now running at a total of £205,000 a year.

But Mr. Morris reminded him that special advisers had been employed by the Conservative Administration and that the system had been recommended by the Fulton Committee.

Later, Mr. Gow pointed out to Mr. Edward Short, Leader of the House, that his department only had one adviser, while the Prime Minister had seven. In view of the quality of advice which had been given on devolution, he suggested that Mr. Short should sack his adviser.

In reply, the Leader of the House defended the system of having such advisers paid from public funds and subject to Civil Service discipline, particularly in regard to the Official Secrets Act. He thought this preferable to having political appointees ...ing in Whitehall and paid for by the various party headquarters.

MP seeks ruling on Press ban

...MP claimed in the Commons yesterday that a court injunction banning communication with the Press about children who are involved in a custody case ... a breach of Parliamentary privilege.

The Speaker, Mr. George Thomas, is to rule on the allegation by Mr. John Gorst (C., Hendon N.) to-day.

Mr. Gorst urged that if the matter was ruled not to be a breach, it should be looked at by the Privileges committee which ... with "free communication between an MP and his constituents and an MP and the Press."

He said that a constituent, ... Donald Smith, who had ...er been jailed for contempt of court order forbidding him ... seeing his two sons, had ... released and granted custody of the boys.

The judge had then issued an injunction restraining both parents from communicating directly or indirectly with the Press or any other media about ...gs relating to the wards of court.

Mr. Gorst added, "I understand counsel's opinion is that I, as MP, cannot speak to the Press because it would be indirectly discussing the children."

He said there had been precedents in the past on people making statements. But the prohibiting or regulating freedom of speech or communication between a constituent and his MP was in a different category."

To cheers from MPs, he said it affected the rights, privileges and responsibilities of an MP.

Mr. Gorst said it was "not in the public interest that MPs should be prevented from referring to actual cases."

Council powers Bill challenge by Tories

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE OPPOSITION last night warned the Government that it would have a fight on its hands if Ministers tried to introduce proposals extending the direct labour operations of local authorities or enabling local government to compete in commercial activities with private enterprise.

This Tory challenge was thrown down when MPs debated a Bill to give local councils a range of general powers in anticipation of the time when their present powers lapse under the reorganisation of local government approved by Parliament in 1972.

Mr. Gordon Oakes, Under Secretary for Environment, assured the Opposition that the Bill—the Local Government (Miscellaneous Provisions) Bill—was entirely uncontroversial and that no one could take exception to the list of modest, useful powers it proposed.

Mr. Keith Speed, from the Tory front bench, was not so sure that all the powers proposed were as acceptable as the Minister maintained, and he made it clear that Opposition MPs would scrutinise the Bill in committee to make certain that direct labour provisions, for example, were not increased in scope.

But Mr. Oakes, stressing the innocence of the Bill pointed out that it had been agreed by the Tories when in power that the "unmanageable" mass of local government law governing the day-to-day activities of Town Halls in England and Wales should be tidied up by a Parliamentary Bill.

Because powers of local authorities were limited to those provided by statute, it was necessary to outline powers in a number of instances covering quite small matters. And over the years there had been a great flow of legislation promoted by local authorities in Private Bills.

It would save Parliament a great deal of time if it introduced legislation which local authorities would certainly need and which no-one could take exception to, anyway. This the Bill did, and its various clauses had been assembled after consultation with the Association of Local Authorities.

Mr. Oakes instanced a number of the powers provided by the Bill. One clause would enable local authorities to secure property condemned as unfit. Another clause empowered councils to acquire compulsorily on payment of compensation rights over land, instead of purchasing the land itself.

A general power was provided to obtain information about the ownership of land. Golf courses were included in the facilities local government could provide for recreational and physical training purposes.

Another power given under the Bill would enable councils to cut down trees on private land in certain circumstances—one of the circumstances being the need to deal with the ravages of Dutch elm disease.

From the Tory side, Mr. Speed said the Opposition was convinced that much tighter control was needed over local government expenditure. "We would go further than the Chancellor and impose meaningful cash limits on local government expenditure," he said.

The clause in the Bill which the Opposition especially mistrusted was the provision allowing local authorities to undertake work outside their own areas. Mr. Speed said: "This could be potentially the most explosive of the Bill's clauses. Under it, local authorities could exercise their powers to carry out a considerable amount of work and thus extend the scope of their direct labour operations.

"I hope this is being looked at in the light of such Bills as the West Midlands County Council Bill, the Tyne and Wear Bill and the Greater London Bill."

Mr. Speed recalled with approval that the Bill promoted by the West Midlands County Council, which would have given many powers for the authorities concerned to compete with private enterprise, had recently been thrown out by the Commons.

The Tory spokesman pointed out that all the Bills now being pressed by local government would extend their direct labour work. "We know the Minister for Local Government has well placed desires for a massive extension of direct labour, but this is a concept we reject. Although we are not opposing the present Bill, we will want to probe the direct labour clause very carefully indeed in committee."

'A recipe for civil war'

Mr. Graham Page (C., Crosby) an Opposition spokesman on planning, said the powers given to local authorities went too wide. He feared that work would be done by local authority workers when there were private firms who could easily do the jobs.

Mr. Page said that in the explanatory memorandum to the Bill, which outlines the effects the legislation would have, the Government said there would be no direct effect on central or local government staff.

This was "farcical" and Mr. Page suggested that "the Secretary of State must be kidding."

He criticised a clause enabling councils to execute their powers to carry out works outside, as well as within, their area.

"It seems to me a recipe for civil war. Can Leeds exercise compulsory purchase powers in Bradford? Can Liverpool install district heating in Manchester? We want to know a lot more about the intentions of this clause."

Rather than seeking to extend local authority powers, they should be seeking to define them with more precision, so that they did not bulge out more and more as a result of local councils' enthusiasm.

Winding up for the Government, **Mr. Alec Jones,** Under Secretary for Wales, said that some of the pictures Mr. Page had drawn were "somewhat exaggerated."

The Government was committed to the maximum possible expansion of efficient direct labour organisation.

The powers in the Bill needed to be confirmed as part of the general strategy for rationalising local law. The Bill was designed only to give general effect to well-precedented local acts.

The Bill was given an unopposed second reading.

Rates pool scheme proposed for London

Financial Times Reporter

NEW RATE equalisation proposals for London, which involve the City of London and each of the inner London boroughs paying the product of a 5p rate into an equalisation pool, were outlined by Mr. John Silkin, Minister for Planning and Local Government, in the Commons yesterday.

He told MPs that following consultations with the interested parties a scheme would be made for 1976-77 on lines proposed by the London Boroughs Association.

Mr. Silkin explained that the equalisation pool would be distributed among the outer London boroughs in proportion to each borough's deficiency in rateable value, measured by reference to the average rateable value per head for Greater London as a whole.

But, in this calculation, the deficiency of four boroughs—Barking, Brent, Haringey and Newham would be multiplied by 1.66.

Jubilee coin in two versions

By Justin Long

Two versions of the proposed 25p crown piece will commemorate the Queen's forthcoming Jubilee, Mr. Denzil Davies, Minister of State, Treasury, told the Commons last night. One version would be cupro-nickel, struck to the standard of ordinary coinage. The other would be silver, struck to proof standard.

Discussions were in hand with the banks with a view to the ordinary version of the coin being made available over their counters at face value, said Mr. Davies in a written Parliamentary reply.

Mounting pressure for referendum on Welsh devolution

FINANCIAL TIMES REPORTER

MOUNTING PRESSURE from Wales for a referendum on the Government's devolution proposals was reflected during question time exchanges in the Commons yesterday when Mr. John Morris, Secretary of State for Wales, doggedly refused to give any encouragement to the idea.

While acknowledging that voices had been raised in Wales in favour of a referendum, he stressed that "other voices have been raised against it, including the Welsh TUC.

"I am sure that these matters will be argued in due course in the party conferences this year, as they were last year, in the Welsh Labour Party conference, when this idea was rejected."

Replying to Mr. Gywnfor Evans (Plaid Cymru, Carmarthen), Mr. Morris commented that it would be possible to pose a whole variety of questions in a referendum on devolution, including the issue of whether or not there should be any diminution in the powers of Welsh MPs.

Mr. Donald Anderson (Lab. Swansea E) maintained that a majority of constituency Labour parties in Wales were in favour of a referendum and questioned whether, in the light of the public expenditure White Paper, the Government really regarded its devolution proposals as a priority.

This theme was taken up by Mr. Leo Abse (Lab., Pontypool) who argued that the severe and heavy cuts likely to arise in Wales out of the White Paper were a new factor which should be taken into account, especially as devolution was expected to involve an additional £15m. a year in Government expenditure.

Mr. Alec Jones, Under Secretary for Wales, said no costs were likely to arise in the immediate future from the establishment of a Welsh Assembly, and he pointed out that the White Paper had made it clear that devolution costs were listed among those likely to come from the contingency reserve and not from any other services.

During later questions, Mr. William Whitelaw, the Deputy leader of the Opposition, again urged the Government to produce separate Bills for Wales and Scotland when introducing its devolution legislation.

Mr. Edward Short, Leader of the Commons, assured him that this aspect of the matter was still under consideration. The legislation, he confirmed, would be introduced in the House at the beginning of the next Parliamentary session.

He added that a White Paper outlining a possible scheme for devolution for the English regions would be published next month.

Assembly laws test proposal

AN INDEPENDENT constitutional court composed of an equal number of Scottish and Welsh judges should be set up to decide the validity of laws passed by the proposed Scottish Assembly, Mr. Russell Johnston, chairman of the Scottish Liberal Party, suggested yesterday.

The court would have exclusive jurisdiction in all cases where the validity of Scottish Assembly legislation was challenged, he said.

Mr. Johnston said that the Government proposal to give veto powers to the Westminster Parliament was unacceptable, and the Scottish Liberal Party took the strong view that there should be an independent constitutional court.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● WATCHMAKING

More new electronic components

LITRONIX have a new series of electronic digital watch modules, introduced specifically for manufacturers in the U.K. and Continental watch industries.

At one end of the range is the three-function LWM6531, which has a four-digit LED display of hours and minutes, with a flashing colon to denote seconds. A single push-button, the contacts of which are incorporated in the module, is required to activate the display.

At the other end of the range the five-function LWM6560 offers a display of hours and minutes, seconds, day of the week and day of the month, and provides contacts for two push-buttons. Hours and minutes are displayed by momentarily pressing the first button, a latch circuit causing the display to persist for up to two seconds. If the button is held depressed the display automatically converts to seconds. The second button provides the alphabetic display of the day—SO for Sunday, MO for Monday, etc.—and the date. For this function, nine-segment alpha digits occupy the first two positions of the hours/minutes display.

This unit additionally contains a light-sensing circuit which automatically adjusts the brightness of the display according to ambient light conditions. This facility both improves the display and economises battery power; one year battery life is claimed.

The 6000 series is compatible with standard watch cases, and because the modules are designed to be press-fitted into the cases, they do not require special tools. Litronix House, 593, Hitchin Road, Stopsley, Beds. Stopsley 415415.

Design for the watch market

RCA SOLID STATE has a new circuit to provide on a single chip all the functions for a digital watch using a field-effect liquid-crystal display. It contains a self-biased input amplifier suitable for use as a 32 768 Hz crystal oscillator, and is provided with outputs to drive a 3½-character, 12h display, including a colon flashing at 1Hz. A 30 microseconds output is provided for use as an input signal to a convertor to provide the display voltage of −6V from a single silver-oxide cell supplying −1.6V.

Display updating and time setting are actuated by two single-pole/single-throw switches, with input protection against switch bounce for up to 30 milliseconds.

Two other circuits of the same family are for use in clocks and watches.

Both circuits are designed to be operated from a standard quartz crystal at very low voltages: the complete watch or clock circuit only requires the device, quartz crystal and trimming capacitors. Current consumption is very low; maximum operating current at a drive voltage of 1.6V is only 100 microamp with no output load.

RCA on Sunbury-on-Thames 85511.

● COMPONENTS

Versatile fuse-switch

UNIT CELL construction in a fuse-switch developed by IMI Santon enables single and multi-pole units to be offered and switched or unswitched neutrals to be supplied as an integral part.

Three switching positions, "on," "off," or "test," are included as standard. In the last position the main poles remain open but the auxiliaries are closed so that control circuits inside the cubicle can be tested although the main feed has been isolated.

The fuse carriers, comprising the moving contacts across which the fuse links are carried, can be removed safely without tools when the unit is at "test." The one frame size is available as 30A (20 hp) or 60A (40 hp) by the use of different contact materials.

Intended mainly for use with multi-motor control centres, the fuse switch is complete with cubicle door interlock mechanism, lever type insulated handle, padlocking facilities and an interlock defeat arrangement. Auxiliary switches (24 or more poles) rated at 6A can be fitted to the side of the unit. More from Somerton Works, Newport, Gwent NPT OXU (0633 71711).

● INSTRUMENTS

Noise meter agreement

INSTRUMENTS for the measurement of industrial noise made by General Radio are to be marketed by Mine Safety Appliances Company, East Shawhead, Coatbridge ML5 4TD (0236 34966).

MSA, which has a long background in industrial safety, will be offering an industrial sound-level meter, a dosimeter system and an audiometer.

The instruments will complement MSA's established hearing protection products to offer an integrated range to industry for noise control and protection.

● MATERIALS

Adhesive for plastic and metal

FAST DRYING, transparent, and resistant to migratory plasticisers, a general purpose adhesive, Titebond 108, has been introduced by Bondmaster, a division of National Adhesives and Resins, Galvin Road, Slough, Bucks., SL1 4DF (Slough 29191).

It is stated to have excellent adhesion to flexible pvc, terephthalate film and certain metals. Capable of being brushed or spread, it produces a dry film which does not embrittle or discolour when exposed to ultra-violet light. It can be used as a wet adhesive, or can be dried for subsequent heat sealing, when reactivated at 110 deg.C.

The company says bonds have been tested in boiling water (plus 2 per cent. Teepol) without failing, and that bonds will resist vibration and shock, and temperatures down to −40 deg.C.

● LIGHTING

ON-SITE lighting where mains are not available, and emergency lighting during power failures, can be provided by the Tractorlite introduced by W. E. Burnand, Shoreham Street, Sheffield S1 3PR (0742 24148).

The equipment is mounted on a steel carrying frame and can be fitted to a range of tractors. The 3kVA, 230V single phase generator, is driven through a vertical gearbox from the tractor pto.

To elevate the 29ft. four-stage mast the hydraulic system of the tractor is used, controlled from the driving position. The mast carries either four 700W mercury lamps or four 1000 W tungsten halogen lamps. The standard fitting mercury lamps have a life of about 5000 hours with a lumen rating of 33,000 per lamp.

When lighting is not required the generator can be used as a mobile stand-by power unit, and a socket is provided to take the supply to a distribution board.

● AUTOMATION

Copies dies and moulds

AN AUTOMATIC hydraulically operated machine for copying dies and moulds from a same-size master, the Alexander 4HBS Hydraulic Diesinker, has been introduced by Precision Grinding, Mill Green Road, Mitcham Junction, CR4 4TX (01-648 9461).

The operator can select any of three methods of cutting, and can switch from one to another. There is an automatic control for diesinking, a semi-automatic control for rapid profiling and a manual stylus control — requiring only finger-tip pressure — for hand-profiling and picking out sharp corners. The combined sliding head and table movements of the machine give a total coverage of 16 x 24 inches.

● CIVIL AVIATION

Avoiding terrain hazards

SOME TIME soon, British Airways, in common with other U.K. airlines, is expected to announce a decision on which brand of a new safety instrument to buy for installation in all its airliners.

The instrument is called a Ground Proximity Warning System (GPWS)—a device which gives the pilot on the flight deck a loud verbal warning to "Pull Up" or "Climb" whenever his aircraft is approaching high ground or some other dangerous in-flight situation.

The U.K. Civil Aviation Authority intends to make the installation of instruments of this nature mandatory, with January 1, 1977, as the target date for installation of GPWS in turbo-jet airliners, and July 1, 1977, as the target for other types of aircraft over 15,000 kg. in all-up weight or carrying more than 30 people. In effect, this mandatory requirement will cover more than 400 airliners of all kinds on the U.K. Civil Aircraft Register, including the BA fleet of some 200 aircraft of various kinds, and those of other airlines.

The U.S. Federal Aviation Administration is also planning to make the introduction of GPWS mandatory, covering some 2,400 aircraft, and many other countries are expected to follow suit.

Analysis of aircraft accident statistics shows that of the 743 passenger deaths in 1975, a total of 510, or 68.6 per cent., were the result of situations which perhaps could have been avoided if GPWS had been operational in the aircraft involved.

Several companies are involved in developing equipment to meet the requirements. In the U.K., Plessey Aerospace has already successfully tested a system installed in an HS-748 airliner from the Royal Aircraft Establishment, Bedford.

Other companies involved in what could become an intensely competitive situation to win the equipment orders worth several millions of pounds world-wide in the years ahead, include Sundstrand, Bendix and Collins in the U.S. The cost of an individual equipment is about £2,000, but in addition there is the installation cost.

The heart of the Plessey system is a small but extremely powerful digital computer known as Miproc, made by Plessey Microsystems, which is claimed to have distinct advantages over analogue systems used by the U.S. equipments, including accuracy of control, rapid re-programming capability, and ease of maintenance.

The computer receives information from the radar/radio altimeter, the landing gear, flap selectors, instrument landing system (ILS) glideslope/localiser receivers, and the barometric altimeter in the aircraft, or its air data computer. All of this collectively tells the computer that the aircraft is approaching a dangerous terrain situation—like flying into a mou[…] hill-side—and warns th[…] both instrumentally b[…] more particularly verb[…] such a loud and dis[…] fashion that he is forc[…] taking the necessary a[…] action.

One of the special [...] ments of this type of ins[…] is the need to avoid "s[…] warnings," and to engend[…] confidence in it on the [...] pilots that they are not [...] to override the warnin[…] receive. Much attenti[…] therefore been paid by th[…] facturers to ensure tha[…] systems are fully reli[…] this respect.

MICHAEL

● DATA PROCESSING

Compact reader

A THREE-quarter size COM fiche reader NMI 75 made by Northwest Microfilm is now available in the U.K. from Scottish Instruments, Edgware Road, Colindale, London NW9 (01-952 7527).

Giving an image at about three-quarters computer page size, the reader also features two light levels (giving 2000 hours lamp life at the normal lower setting), drop-in interchangeable lenses, single or dual fiche carriers and a built-in carrying handle and flex storage.

The desk area occupied by the unit is only 85 sq. ins., which is claimed to be a saving of over 50 per cent. compared with most three-quarter screen COM readers.

H-P sales terminals

TWELVE HP 3000 Mini Data Centres are to be installed in Makro stores in Britain this year, as part of a £3m. order for 42 of them throughout Europe.

Makro, an international wholesale cash-and-carry organisation with stores in Europe, South Africa and Brazil, is extending its relationship with Hewlett-Packard by replacing the HP-2100 systems in its European stores by 21 dual HP-3000 systems for point-of-sale invoicing.

With the new units, Makro clerks will be constantly updating the store's data base as they are preparing customer invoices from terminals at check-out stands. As many as 30 check-out stands can be active at the same time in each store. From each terminal there is instant access to the data base of product, price and customer information.

As goods are checked out, the units produce a full customer invoice while simultaneously logging transaction data for transmission to a data centre.

Hewlett-Packard, King Street Lane, Winnersh, Wokingham, Berks. Wokingham 784774.

Improving larger minis

SEMICONDUCTOR memory with a capacity of 16K 16-bit words which is a plug-in replacement for core storage cards in all DEC PDP-11 computers has been announced by the Memory Systems Division of Intel. An 18-bit word version can be supplied on special order.

The new memory card employs Intel access memories and is known as the "in-4711." It is complete with all the necessary refresh and control circuitry. Power conversion can be achieved with a separate converter card which has the capacity to drive four in-4711s.

Maximum power consumption is less than 30W (less than half of the power consumed by the equivalent core store), enabling a wider tolerance on power supply specifications and a cooler running system.

Read and write cycle times of 520 nanoseconds allow a significant increase in speed and, for maximum throughput, interleave operation with two memories is possible.

● TELEVISION

Wire-less sound from TV set

FACILITIES for listening to television sound via headphones (thus leaving undisturbed the non-viewers in the room) are seldom provided on U.K. receivers and are usually a retrofitted item involving trailing wires.

But the use of quality head phones is increasing, particularly in "hi-fi" circles and in Germany has now found favour in TV sets.

Nordmende, West [...] maker has decided to off[…] sets in the U.K. through [...] Vision and Radio. The [...] uses an infra-red transm[…] the front of the receiver, [...] emits a fairly wide beam [...] up by a lightweight [...] powered by a small re-cha[…] battery. The transmitter [...] to use an infra-red diode [...] with a sub-carrier of [...] which is itself frequency [...] lated with the TV sound c[…] The reverse process take[…] in the headband of the [...]

The market for the ide[…] U.K. seems bound to be [...] what limited since it pu[…] the price of Normende [...] model to £750. Vesseo is [...] 4, Blackwater Way, Al[…] Hants GU14 4DL (0252 [...]

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FINANCIAL TIMES SURVEY

Tuesday February 24 1976

HYPERMARKETS

The number of true hypermarkets in this country has been brought to four with the opening of a new one near Manchester. Controversy over these stores has been based on mistakes made abroad and fear of the likely damage they will cause to existing shopping centres.

And now there are four

THE OPENING of the Tesco hypermarket at Irlam is a landmark in retail development in the U.K. It is Tesco's first genuine hypermarket as such, and with 76,000 square feet of selling area it is comfortably the biggest hypermarket opened in the U.K. to date—leading Carrefour's Caerphilly operation by around 10,000 square feet of selling area, a difference which is bigger than the size of many town centre retailers.

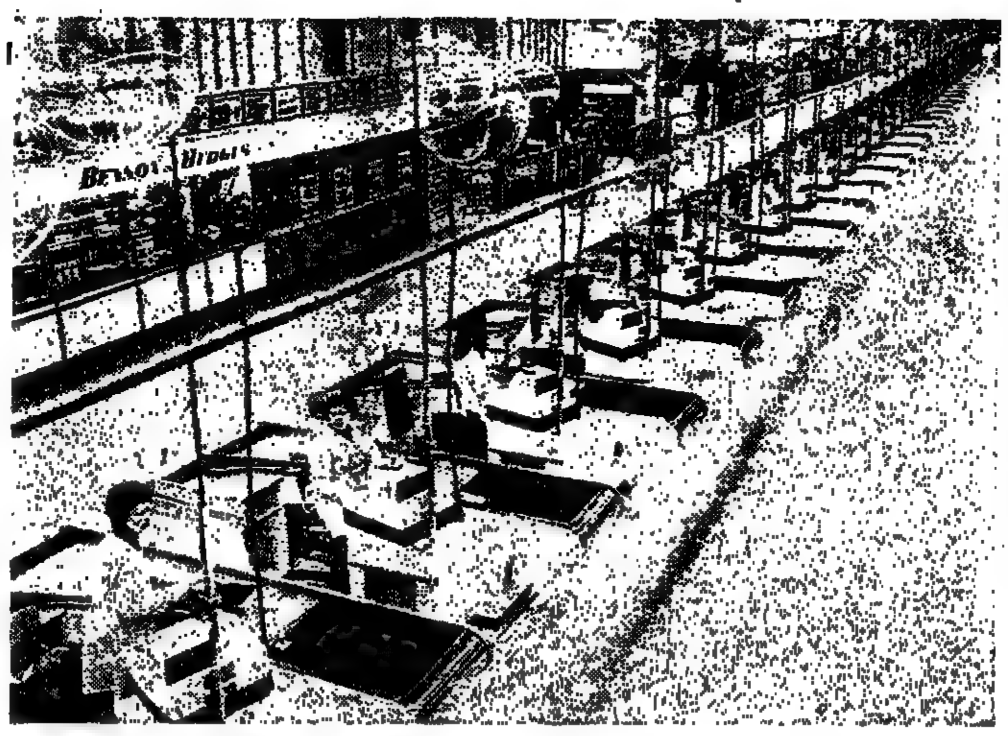
But without wishing to take anything away from Tesco, the way that the hypermarket debate has all-along been conducted with size being bandied about has probably been, on balance, harmful. The debate has tended to be conducted as though size were an end in itself with a tendency for the majority to think of bigness as badness. A greater service would have been rendered to retailers and the shopping public if right from the start the development of hypermarkets and superstores had been regarded for what it really is: a quite new retailing concept aimed at least at adapting retailing methods to the different economic, social and environmental conditions of the modern world.

Although hypermarkets when they are built stand physically alone they are in fact part of a trend in retailing which affects town-centre shopping quite as much as out-of-town shopping—although town-centre effects are more gradual and more widely spread than the more controversial out-of-town developments. There can be no denying that the inexorable reduction in the number of small shopping units in the high street are the product of the same factors which is prompting the retail trade to promote big stores. Indeed it is these sort of considerations which are prompting big retail chains such as Tesco, Sainsbury, Boots, Debenhams and so on to develop out-of-town or edge-of-town stores in tandem with their continuing programme of re-development of town-centre stores.

An important part of the debate centres on this willingness to have both. Hypermarkets are almost universally opposed by existing local retail interests on the grounds that they steal trade, and will contribute to the decay of town-centre shopping. This argument is weakened when a group such as Sainsbury is prepared to have a town-centre store and an edge-of-town store both serving the same community: of the big groups involved in grocery retailing only Marks and Spencer is totally wedded to town-centre development and has set its face against out-of-town involvement. (Although Marks is prepared to get involved in new shopping centres such as Brent Cross which are another feature of the changing retail scene in the U.K., and which often contain units of a size which would qualify for hypermarkets or superstore status.)

Opposition

As compared with the U.S., Germany and France, the development of hypermarkets and superstores in the U.K. has been slow, and a number of factors have contributed to this. Already mentioned is the pretty universal opposition from entrenched retail interests, and this is backed up by the mistakes made in the relatively uncontrolled development of these big stores in other countries, which everyone wants to avoid here. Uncontrolled development has allowed both serious environmental damage with ugly stores spoiling otherwise pleasant locations, and trading damage. In both the U.S. and in France there have been examples of saturation coverage with, perhaps, three hypermarkets competing to serve an area which could support, and benefit from, one. The inevitable result is that none is a viable proposition, and in the U.S. this was a contributory factor to a price war.



Ready for the off: 37 new Sweda "500" electronic terminals, each on-line with a mini-computer, at the Carrefour Eastleigh hypermarket.

An all-out price war is quite a different thing from healthy competition. U.S. experience was that attempts to undercut competitors to the greatest possible degree produced a diminution of service and product range to an extent that produced a customer backlash and led to the re-emergence of the slightly more expensive convenience store as the fastest growing retail sector.

These considerations prompted a highly cautious approach to the construction of hypermarkets and superstores by the U.K. authorities which reached a peak in February 1972 with the issue of Development Control Planning Note No. 13. This laid down that any proposed retail development of more than 50,000 square feet in selling area was to be automatically called in by the Department of the Environment for scrutiny.

The official line is that each application is treated on its own merits and that there is no predisposition towards refusing planning applications. The retailers involved, however, dispute this quite strongly, and such facts and figures as there are seem to back them up. By April of last year the DOE inspectors had reached decisions on only 10 planning applications on hypermarkets and superstores and only three had been approved—one an Asda superstore and the other two genuine hypermarkets. Irlam is only the fourth hypermarket as such—the other three being run by Carrefour.

Definition

The whole question tends to get bogged down slightly by arguments over definition. Hypermarkets, for example, should according to some definitions be not less than 50,000 square feet of sales area on a single trading floor with a certain ratio of car parking space to sales area. Superstores on the other hand can trade from more than one floor and need not necessarily be in a green field site.

In some cases these definitions can be important; for example, the economies of in-store distribution greatly favour trading from a single floor, with the installation of lifts and so forth to serve additional floors adding greatly to running expenses. But there has been a tendency for definitional differences to cloud the essential issues at stake — which are really those of efficiency.

In a nutshell, big stores are cheaper to run than small stores, and sores in off-centre locations with cheaper rental and rate bills are cheaper to run than stores in the middle of town. The economies are such that a hypermarket can undercut even an efficient high street trader by upwards of 7½ per cent. on prices. A hypermarket will carry up to 25,000 different product lines, and will probably attract ancilliary operations such as a petrol station and car wash, making the possibility of one-stop shopping a reality. In spite of soaring petrol costs, price-attractiveness has been proved to work, and people will travel long distances — half an hour's drive is a fair rule-of-thumb estimate — to do the bulk of two weeks, or even a month's shopping. This is in contrast to the attractions of town centre shopping, where convenience and variety are the main considerations.

Early fears that hypermarkets and superstores would destroy town centre shopping do not seem to have materialised. Some stores have suffered loss of trade as a result of a new hypermarket, but this has seldom proved to be a fatal blow. Such analyses as have been done tend to suggest that many areas of the country are undershopped—resulting in traffic congestion, parking problems, and over-congestion in the retail outlets themselves. Carefully controlled development therefore can only be of benefit in the long term, but perhaps a slightly less cautious approach is needed than has been the case so far.

Sandy McLachlan

HYPERMARKETS II

The international background

HYPERMARKETS AND superstores were developed in the U.S. and on the Continent well before they made their first appearance on any scale in the U.K. So it is hardly surprising that the record and impact of such stores overseas was a major theme of the heated debate which preceded the first openings in the U.K. and which has continued subsequently.

Overseas comparisons have, however, only been a limited guide to the experience in any particular country because of, for example, differences in the traditional retailing pattern, local and central Government regulations, and regional variations. In each country in which hypermarkets and superstores have been developed they have taken on a different character and indeed each operator has his own particular approach, as is shown clearly in the U.K.

The out-of-town or edge-of-town superstore concept first gained ground in the U.S. as an extension of supermarkets which had again made their first foothold across the Atlantic. The pressures of increasing store size—the average selling area of new supermarkets in the U.S. rose from 11,700 to 17,000 square feet between 1956 and 1971—a rapid growth of suburbs, a rise in the number of passenger cars of 44 per cent. in the 1960s coupled with increasing competition among retailers led to the development of superstores in the U.S.

Influences

The particular way in which superstores developed in the U.S.—and especially the steady deterioration in town centre and "High Street" shopping facilities—reflects a number of local influences not present to nearly such an extent in Europe. The space available for development, the much greater degree of car ownership, laxer planning controls and the underlying population movement away from the centre of cities all explain the uninhibited spread of superstores in the U.S. and some of their all-too-apparent deficiencies. Apprehensions based on U.S.—and to a lesser extent Continental — experience explain some of the thinking behind the first Development Control Notes in the U.K.

From the British point of view, the parallels with the Continent—and in particular France and Germany—tend to be more relevant, partly because planning controls have become tighter in Europe while there is a more limited underlying decline in population in the town and city centres. The main interest has focused on the impact of the opening of superstores on nearby shopping facilities.

A survey of the effects on a number of German cities, where superstores really started expanding in the late-1960s, showed that despite the growth of motor traffic and congestion, town centres had not lost their allure. Indeed the evidence was that the superstores had essentially been taking some of the extra turnover, not existing sales, apart from the initial impact.

A much more detailed study of the effects of hypermarkets on town centre trade was carried out by MPC and Associates of Worcester in France—covering the effect on trade in a town of 130,000 people caused by the opening of three hypermarkets in the surrounding district with a total selling area of 160,000 square feet.

The biggest impact was on supermarkets of over 4,000 square feet where sales fell by between 18 and 30 per cent. while there was a drop of 13 to 27 per cent. for other self-service grocers, a decline of 8 to 25 per cent. for the cheaper type of variety stores and a 1 to 5 per cent. fall for the independent grocers, but little change for comparison shops such as shoe and furniture outlets and for department stores.

This can, of course, be viewed as rather an extreme example, since there is no case yet in the U.K. of a town of the size of the one chosen being surrounded by three hypermarkets: there are now two superstores outside only two sizeable towns in north-west England. This reflects both the caution of planners in the U.K. and the more entrenched position of High Street trading in Britain compared with France. Moreover, the most recent evidence suggests that where three hypermarkets are trading near each other one of the main impacts may be on each other's sales.

In a less extreme example of where there is only one superstore outside an established shopping area, the evidence suggests that there is a remarkable similarity of experience between say, France and the U.K. This was noted particularly in the study by Donaldsons, the chartered surveyors, into the impact of the opening of the *Carrefour store in Caerphilly*, this has been similar in a number of respects to those shown in the various examinations of the effect of hypermarket openings in France. The Donaldsons study concluded that there had not been a catastrophic decline in established shopping centres but rather a series of subtle changes with the hypermarket forming a complementary yet specialist contribution to shopping facilities.

Control

By proceeding slowly and steadily, the British authorities, both at local and central Government level, do appear to have drawn one of the main conclusions from the U.S. and Continental experience — namely that it is too rapid a rate of unselective expansion which *seriously damages* existing centres. A number of the leading superstore developers within the U.K., of course, argue that the planning control is still far too tight and that granting permission to a few more stores will not drastically alter the present retailing balance.

Certainly the number of superstores in the U.K. at present is small by comparison with France or Germany. But it is interesting that the same local interests and existing retailer groups which have argued against the development of superstores in the U.K. have ben having increasing success in slowing down the number of new openings on the Continent.

In France, for example, a generally accepted forecast of only two years ago that 600 hypermarkets would be open by 1980 now looks like being a wild over estimate with about 400 units now regarded as a more realistic target. A combination of the Loi Royer (restricting new development), the recession, rising building costs and the number of existing hypermarkets have resulted in a sharp reduction in the number of new openings.

After the record total of 61 openings in 1972, the figure fell to 51 in 1973, 32 in 1974 and an estimated 18 last year for a current total of roughly 300. Moreover, there are increasing warnings about competition between hypermarkets, with signs of saturation and fewer and fewer good sites becoming available. One estimate in Eurofood suggests that last autumn a total of 100 hypermarkets were operating at no better than break even, while three years ago most new units made a profit within 12 months of opening, two out of three such stores to-day apparently have to wait two years or more before moving out of the red. Since the controls have always been much tighter in Britain there is no danger of saturation here yet, no rise it at all likely in the foreseeable future.

While the innovations in the U.S. and on the Continent undoubtedly acted as a spur to the development of superstores in the UK—as did the participation of Carrefour, France's leading operator—there has been no rigid imitation. One difference, for example, is that French hypermarkets are much more like cash and carry warehouses whereas superstores in Britain can be more appropriately be regarded as closer to supermarkets or variety stores.

Peter Riddell

Impact on other shopping centres

THERE ARE signs that the Government's commitment to keeping retail prices down is dampening its opposition to hypermarkets/and superstores. A price saving to the public of 10 per cent. is more persuasive than the protests of the entrenched retailers in the proposed development sites and worries about the environment.

This change of heart by the Government, which must approve all applications for sites in excess of 50,000 square feet, may be influenced by the evidence which suggests that superstores and hypermarkets do not ruin the traditional shopping pattern in a community. This bears out research carried out on the Continent, which has lived with hypermarkets for many years, by MPC and Associates, which suggests that usually only a half of the big stores turnover comes from the local town while the remainder comes from the hinterland.

There have, of course, been surveys carried out in the U.K., in particular to measure the impact of Carrefour's first U.K. hypermarket, which opened on the edge of Caerphilly in the autumn of 1972. Donaldsons, which acted as consultants to Hypermarket Holdings, part owner of Carrefour at Caerphilly, has now conducted two investigations into its effect.

Decline

They first looked at the impact on six neighbouring shopping centres. It showed that in five there had been a slight decline in shoppers spending in the first year after the appearance of Carrefour, and this fall was concentrated on food shopping. But the reduction was very small because it was dispersed and because some of the money spent at the Carrefour—£7.5m. in the first year—also came from as far away as Cardiff.

On the other hand Caerphilly town centre, only a mile away, suffered a greater setback. Just how badly it was hit by the hypermarket was revealed in the next Donaldson survey which was published in March 1975. This revealed that the number of food shops had fallen from 20 to 12. On the other hand four new shops have opened. The general conclusion was that the hypermarket complements existing local stores, apart from food shops in the immediate vicinity.

In the second year Carrefour sales rose to £9.4m. But the novelty had obviously worn off a little in the neighbourhood. There was a decline in the number of shoppers prepared to drive 20 minutes to reach the store, which was compensated for by the increase in those driving for 10 minutes or less. The importance of food was stressed by the survey—out of an average spend of £9.40, £8 went on food—a proportion borne out by Carrefour's chief competitor in the large store league, Asda, which reckons that almost 80 per cent. of its sales is in foodstuffs.

Another survey into Caerphilly, by the Retail Outlets Research Unit at Manchester Business School, basically confirm the Donaldson findings. It suggests that the Co-op was the main loser from the emergence of the hypermarket, followed by the multiples, and finally the independents. This report produced the extraordinary finding that all but 5 per cent. of the Caerphilly residents had visited the Carrefour, although 20 per cent. of those over 60 had not done so. It also suggested that prices in the hypermarket were 11.3 per cent. cheaper in a shopping basket of branded goods, although this was reduced to 8 per cent. when the local competition followed suit in cutting prices.

Although the basic findings from Caerphilly have been reproduced in later studies—that hypermarkets and super stores draw their business from a wide area and offer most competition in groceries—it must be stressed that Caerphilly is

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Complications of planning control

IN THE complicated relations between retailers and planners over the building of hypermarkets in Britain, there are broadly three different battles being fought in a long-running war.

One is with central government, which has often seemed in two minds about the desirability of having hypermarkets at all, even if the local environment and local traders seemed protected. The second is with local authorities, often three or four of which might be involved, given the wide catchment areas of such superstores. And the third is a planning battle in a slightly different sense, involving the ability of wholesale cash-and-carry warehouses to operate under a different section of the Town and Country Planning Act. This last affects some pure planning decisions, such as where a whole area is zoned for industrial rather than retail use, and has also developed into an internecine struggle between the two types of business.

The three areas frequently overlap. For instance the Department of the Environment often stresses what might be thought to be very local considerations which could be left to local authorities. But there are usually further complications. In rejecting the latest application for a superstore in Catterick, North Yorkshire, for instance, what was stressed was that trade in the historic town centre of Richmond must be protected. The Department said the majority of the shops there were in buildings listed as being of architectural interest and that reduced revenue would make it difficult to maintain the upkeep of the properties.

The lead, clearly, has to come from the top. Since February 1972, this has been expressed in the Development Note Planning Control No. 3 when the Secretary of State "asked to see" all applications for 50,000 sq. ft. of selling area or more. This automatic calling in of such applications does not automatically involve a public inquiry, which again does not always refuse applications, but retailers have long felt that the Department has been biased against the larger units.

The statistics tend to support this view, and it is for this reason that several major retailers with interests in hypermarkets, not a group who usually combine closely, have recently grouped together to present the case for large units to the responsible sectors of govrenment. This means the Department of the Environment, the Ministry of Agriculture and Food, and the Department of Prices and Consumer Protection and the Department of Trade.

Evidence

Those concerned — ASDA, Carrefour, Tesco, the Co-op, Sainsbury and British Home Stores—feel that some progress has been made in a series of meetings with officials to suggest that the case for hypermarkets mak be getting across, particularly in the evidence which can be presented about cutting prices.

One of these, Tesco, has also produced a booklet by its managing director, Ian MacLaurine, on *The Retail Trade and the Planned Environment* which includes the words that it can be "theoretically substantiated that successive governments have wanted to 'have their cake, and eat it'; have wanted to determine the shape of retail trading while providing no definitive guidelines as to what was expected either of the local planner or of us, the retail industry."

Tesco has certainly had its frustrations, its longest public inquiry wrangle concerning a Welsh project, Fforestfach, where the costs of appeal exceeded the costs of acquiring the site, and at the end of the six-year battle permission was granted for only 15,000 sq. ft. This was not the type of store Tesco intended, but building started all the same, partly in the hope that further extensions would be allowed once the store had proved itself a local benefit. That method of doing things piecemeal will, however, vastly add to costs.

At the central government level, the retailer-developer of hypermarkets has a further complication in the Community Land Act and the different development taxes. To quote what looks an extreme case, again from Tesco: it was involved in planning a scheme where, as part of the local authorities' gain, Tesco would provide a free car park for it. But the company's tax advisers then upset calculations by their opinion that there would be first lettings tax to pay on the car park.

The local authority problems may be best summed up, on the evidence of the geographical spread of hypermarkets, with the generalisation that "There is a different planning law north of Birmingham." It cannot be simply that the Northern cities tend to have more "waste land," of no particular attraction or Green Belt status for environmentalists to protect. There does seem to be a greater willingness among Northern councillors to appreciate the cost savings which can come from hypermarkets. In the South, there may occasionally also be stronger local trading interests which are influential enough to block schemes if they feel their high street business is threatened.

The dividing line of Birmingham also happens to be the centre now of a case where the immediate local authority disagrees with its over-riding authority, the West Midlands. The case involved is a proposed ASDA superstore to be built on Aston Villa Football Club's car park, with ASDA providing the local council with a free sports centre. The West Midlands, which is considering its strategy for retailing in the area, will be considering the matter again next month.

The third difficulty, involving cash-and-carries, centres around around the Development Policy Control Note 14, sent out last year, which appears to specify that cash-and-carry type operations cannot be classified as warehousing. This has long been the hypermarket operators' contention. They also claim that many supposedly wholesale operations are in fact retailing to the general public and abusing the card system.

The advantage enjoyed by the cash-and-carries has been in operating under Class 10 of the Town and Country Planning Uses Order. Areas of South London where retailers claim to have identified ideal sites for hypermarkets are among those zoned only for industrial use, thus ruling out Class 1 retail users.

What last year's Development Order did was to refer back to an appeal judgment given in 1971 which said that "in its generally accepted sense a wholesale warehouse denotes a building to be used mainly for the storage of goods prior to distribution and sales elsewhere and any wholesale sales that do in fact take place on such premises must, to be permitted be ancillary to the use of the building as a warehouse."

Wholesale

Even given this "ancillary" provision, the appeal went on to define wholesaling and to say that the "selling of goods to the general public in larger quantities than are usual in a retail shop, or at a discount, would not bring such sales within the term wholesale."

This would seem to pose an increasing threat to cash-and-carry operations, but it is clear that central government will, on this and other planning problems, come under increased pressure this year to specify what type of large retail units it wishes to see built in the rest of the decade. With the lack of new town centre developments for retailers to enter with large units, many are looking to become their own developers which, normally, will mean building big.

Quentin Guirdham

Stacking food items in the new Tesco hypermarket at Irlam.

Impact

CONTINUED FROM PREVIOUS PAGE

not really a typical hypermarket. It is too close to the existing shopping centre and is also smaller, with just 55,000 square feet of selling space. It does seem, however, that a superstore brings down prices locally so that even those who do not bother to negotiate the vast emporium still benefit from its long shadow.

More recent evidence is provided by a most impartial source—Eastleigh District Council, which has the Carrefour at Chandlers Ford two miles away from its own shopping centre. When applying for planning permission Carrefour forecast a £5m. turnover (at 1970 prices), of which 60-66 per cent. would be in food. It also expected to draw 35 per cent. of its trade from Eastleigh and the Chandlers Ford area.

In the event, turnover in the first year from the summer of 1974 was £5.9m., of which 70 per cent. was food, but only 21 per cent. of the custom came from the immediate neighbourhood. The Council reports that the impact on its town shopping centre has been neglible (as against a predicted decline of 20-25 per cent.) and the shoppers drawn into the area by the hypermarket might actually have brought trade to the competitive supermarket. Indeed Eastleigh is planning to accept more shopping in its area to cope with the extra demand.

Superstores

Asda, which has many more (31)—if not larger—superstores that its chief competitors, Tesco and Fine Fare, bears out the Carrefour view that existing shopping centres are not threatened by the new giants. It points to Bradford, where eight out-of-centre superstores have appeared in the past ten years, with a square footage of 275,000. At the same time the city centre has added another 250,000 square feet of shopping space.

In Lincoln, too, an Asda superstore opened in 1970, four miles from the centre, and since then three additional superstores have started to trade, one of them operated by a company with a major retail shop in the High Street. There have also been supermarkets extending their space in the centre of the city while the smaller retail shops in the Forum Centre, at North Hykeham, just outside Lincoln, have gained trade since the emergence of the Asda Superstore.

Fine Fare, which has over 800 retail outlets of every shape and size, is also confident that a superstore can be a stimulant rather than a depressant. It opened a 40,000 square feet store outside of Aberdeen in 1970 and has since extended its city centre shop. In a high growth area like Aberdeen a peripheral development can ease congestion in the traditional shopping areas, and improve both the quality (and the quantity) of trading there.

The many studies into hypermarkets and superstores seem to agree that they do have an impact on the existing shopping structure. In particular they affect food sales through supermarkets The result is price cutting all round and a general benefit to shoppers. The specialist stores are much less affected. But the most suitably sited hypermarkets are out-of-town and depend on car borne shoppers for over 95 per cent. of their sales. This means a very wide catchment area (although one that has constricted with the rise in petrol prices).

The major grocery groups are committed to superstores because only through their extensive selling areas can they stock the non-food items which bring in the greater profits and keep the business expanding. In the future, with the implementation of the Community Land Act, it will be the national multiple groups that will have to shoulder the planning role as the private developer disappears, and the local authorities lack the expertise and will to take over. Asda and Fine Fare and Tesco and Carrefour should find it easier to get planning permission for more large stores since on the back of their developments (and knowledge) the local authorities will be building the shopping centres of the future.

Antony Thorncroft

HYPERMARKETS IV

Seeking the optimum size

BY COMPARISON with some of the vast French hypermarkets, Tesco's new store at Irlam is only in the second division of retailing developments. In terms of British stores, however, it can, for the time being at least, claim the crown of being Britain's largest hypermarket. Standing in a 10.5-acre site outside Manchester with a sales area of 73,000 square feet, Irlam is 3,000 square feet larger than any other store currently trading on one floor in this country—almost as large, indeed, as Tesco pointed out in its pre-opening publicity, as the nearby Old Trafford football pitch, which must be a pretty daunting thought to all but the fittest shoppers.

But in a market where economies of scale are increasingly being seen as the only answer to rising overheads, Irlam is not likely to retain the title of Britain's largest store for long. All the major superstore operators have applications pending for stores of around this size, while Carrefour is hoping to build a store with a sales area of 90,000 sq. feet outside Bristol. Even before opening the doors of Irlam to customers, Tesco, which by comparison with established superstore operators like Asda and Carrefour is still a newcomer to the market, was saying that it would like to build a bigger store and was talking almost wistfully about the kind of operation it could offer consumers with a sales area of 100,000 square feet. Even at Irlam, the company says, it has not been able to sell its full range of non-food products.

But while the British companies may talk enthusiastically about the merits of still larger stores, it seems likely that it will be some time to come before British developers start emulating the French and start covering the green fields with stores of 200,000 square feet upward. And, it will not only be the planning authorities who put a stop to such developments. There is a feeling that the "biggest is best" philosophy has gone too far in France even given the different shopping patterns which already existed there, and that shoppers find the prospect of walking around such large stores too daunting. Moreover, unlike the French, who have little tradition of High Street shopping, the British operators, as they continually point out to the planning authorities, are not trying to offer shoppers a complete alternative to the High Street.

Customers

As Asda sees it, superstores in this country should concentrate on "convenience" shopping, offering customers all the items they buy regularly, like food and utility clothing, rather than competing with the High Street and trying to sell items, like high fashion clothing and jewellery, which require an element of comparison shopping. Asda itself usually stocks around 27,000 lines and while other superstore operators, like Tesco, may go further into non-food lines, all agree that high fashion items are a dangerous commodity, best left to the specialist operator. The problem is treading the fine line between offering consumers the facility of genuine "one stop shopping" and destroying the economies of scale by stocking too many slow-turnover items.

The food department is generally seen as the essential magnet to any successful superstore. Though Tesco last year opened a 60,000 square foot store in Hadleigh in Suffolk selling only non-foods, most operators feel they must stock a full range of highly competitively priced food lines if they are to persuade consumers to get into their cars and drive for up to 20 minutes to their stores. To do this efficiently, most operators want to devote at least 10,000 square feet to groceries, though most agree that there is a limit to the amount of space which can be usefully used for food. At Tesco in Irlam, groceries take up some 25,000 square feet but most of the company's competitors feel 20,000 square feet is adequate for food. According to Fine Fare, there is a danger that if too much space is devoted to groceries, the economies of scale are lost by stocking low turnover lines which defeat the whole idea of a superstore which is to make money out of volume.

But if few people predict the mushrooming of French style hypermarkets in this country, nobody is prepared to rule out this possibility. As one supermarket director says, "20 years ago, we were still gasping with surprise at the idea of a 5,000 square foot supermarket and now they often seem too small to be of any use. Ideas of size change very quickly in the grocery business."

Tesco's own history exemplifies this rate of change in the supermarket business. To the company's founder, Sir John Cohen, the Irlam store must indeed be a remarkable site when compared to the market stall on which he started the business.

Turnover from the new store is expected to be £13m. in its first year, more as Sir John Cohen has pointed out than the total turnover of some public companies. To achieve this figure, Tesco is going to have to attract some 3m. customers from under the noses of the 17 other superstores which operate in this area. For Irlam, developed at a cost of £3m., is situated in one of the most competitive areas for grocery trading this country. Almost all the other superstore operators have stores in the area and local shoppers are offered some of the cheapest prices in the country.

The great majority of customers are expected to come by car, driving for up to 20 minutes to get there. The site is under five miles from the heart of the North West's motorway network, and almost 1,000 parking places are provided.

The store itself is a single storey building, set in 10 acres of landscaped land. While it could hardly be said to contribute much to the landscape, the new store is certainly no more of an eyesore than the derelict land on which it was built.

Inside the store has a feeling of great space. It has 37 check-outs and a gross floor area of 102,805 square feet. The aisles are wide and the ceilings high. In all it will stock some 30,000 different items with cut price petrol—one of the essentials for a successful superstore sale operation in the North—on sale outside.

As well as the grocery department, which is situated at the back of the store in an attempt to pull customers through the shop, there is a large fresh food department and in-store bakery and restaurant. The non-food range includes most of the Tesco Home 'N' Ware range, including household textiles, carpets and electrical goods. There are also assistant-operated counters selling books, audio and televisions and holidays and insurance.

The savings possible f size of operation a illustrated in the food ment. Tesco has spent on introducing cage pall to the store. This already used extensi Asda, means that goods in pallets can be straight off the lorries, warehouses and then o shop floor without be packed or priced by as Forty-three manufactur co-operated to put 188 pr lines in cage pallets further 227 lines are b into cages by Tesco th at their Winsford depo

Tesco says that manuf using cages will gain a cent. sales increase agai lines in the same produ —partly because caged l tending to get prime space. Cages at Irlar meant a halving of wa space requirements, further automation bakery and butchery ments means that in tot has been able to cut 2 p of their normal wag Moreover, the use (pallets, which are piled top of the other in th mean that the comp been able to make fu use of vertical space possible in a normal market. Tesco estima cage palletisation ef increases the gross siz sales floor by 7 per cent

It is these kinds of which proponents of su operations say result prices to the housewif tainly, the prices at Ir impressive. Tesco operates three price l the cheapest used in the where the company has store competitor on step. The Irlam prices cheaper still. Accordir company they will be per cent. less than thos in a normal Tesco. In the company will al Green Shield stamps. Tesco will be able to to cut prices to this e mains to be seen. But many competitors in t it can hardly afford to of line. One thing whic certain is that con shoppers in the Ma area will have a bonan

Elinor Go

Uneven regional distribution

ONE OF the more interesting aspects of the development of superstores and hypermarkets in the U.K. is the uneven geographical distribution. A survey done by Nielsen in 1974 showed that there was a very heavy concentration of grocery outlets with more than 20,000 square feet of selling space in the area covered by Wales, the Midlands, and the North of England.

At that time Nielsen identified 80 such stores and close on three quarters of them were located in these three regions. In terms of actual percentages the three areas, which between them accounted for 48 per cent. of the human population were served by 73.6 per cent. of the superstore population. In the southern half of the country the 42 per cent. of the population could muster only 20 per cent. of the superstore total, while in Scotland the 10 per cent. of the population had just over 6 per cent. of the superstores.

Part of the explanation of this phenomenon lies in the fact that the leading grocery chains such as Tesco and Sainsbury are much stronger in the south than in the midlands and north and there was therefore less immediate needs for new superstores to serve the population. It is where these strongly entrenched chains were weakest that superstores prospered soonest.

Off-centre

Indeed it was not only superstores which prospered. Other new retailing ideas such as the Kwik-save "pile it high and sell it cheap" concept were also born in the North West. Kwik-save's formula is to go not for big stores out of town, but for smaller stores in off-centre locations in high street trading areas. With overheads trimmed to the bone and frills cut out altogether the Kwik-save principle is exactly the same as that of its big-store brethren: the use of a definite price advantage to bring the shopper in, rather than siting oneself where the shopper is normally expected to be.

A somewhat technical reason for the superstore concentration in the Midlands and North is the existence of Asda, the Associated Dairies subsidiary which is the biggest—and most successful—superstore operator, currently running 32 superstores. Completed stores in the Leeds-based group are sited as far apart as Newport and Dunfermline, but the main concentration stretches across the country in a band bounded by Sheffield in the south and York to the north.

A further possible reason for the concentration of our biggest grocery outlets in the Midlands and the North is the vastly improved road network which exists in these areas. Motorway development is a good deal further advanced than it is in the South, and stores sited close to motorways offer a much wider catchment area than do those in congested local road networks.

Telford in Shropshire offers an excellent example of this point. A Carrefour hypermarket and a Sainsbury superstore are both operating profitably—side by side—although the Telford new town which they are designed eventually to service is still not yet built. Not until the 1990s will the town have reached its scheduled 225,000 population, but the existing motorway network allows the two stores to attract custom from the conurbations of Wolverhampton and even Birmingham.

Telford is also a good example of how to get planning permission in what many retailers consider to be a generally hostile atmosphere, and it may be that it is easier to get sites in the Midland and northern areas than in the south east where local authorities are zealous guardians of their shrinking green belt areas.

Undoubtedly the regional imbalance will gradually be reduced with more and more retailers submitting planning applications for more and more sites around the country. As the weight of evidence builds up to show that these very large stores can co-exist with existing shopping areas and that they can be landscaped so that they are not an environmntal blot (and in some cases could actually improve rundown sites) planning applications may be easier to come by.

However, the existence of an adequate road system—or rather the lack of one—will continue to be a limiting factor in many congested areas. Because these big stores do draw traffic from a wide area—and are specifically designed for motorised customers—they can have a substantial effect on traffic flow, and this has been the decisive factor in a number of planning applications. Where the planning inspector feels that there is a danger of creating new traffic congestion problems he may well turn down an application even when he is satisfied that the building of a hypermarket or superstore would be justified in terms of the availability of adequate shopping facilities in a given area.

Sandy McLachlan

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The Executive's World
EDITED BY JOHN ELLIOTT

POWER STATION CONSTRUCTION

BY DAVID FISHLOCK

Audits to boost efficiency

THE ENGINEERING industries of the U.K. reeled under some powerful punches from one of its biggest customers last week when Mr. Robert Peddie, member of the Central Electricity Board responsible for technology, disclosed the tougher conditions his Board plans to impose on its engineering contractors in future. It wants to make a full audit of the competence — managerial and technical as well as financial — of roughly 1,000 contractors who might share the main contracts in big power station projects.

It has already begun to audit about 500 suppliers for competence in quality assurance and programme management in connection with its new 2,500 MW nuclear station for Sizewell, and plans to issue its first "certificates of compliance" later this year to those which match up to what it acknowledges will be "exacting requirements." But the audit is being done in co-operation with the companies; and Mr. Peddie has stressed that in no sense will they form a secret CEGB dossier on the supplier.

Mr. Peddie, in a presentation on the management of large-scale, high-technology projects ıt the Institution of Electrical Engineers, began with the :ustomer's view of projects which, typically, were one, two ır even four years late in delvering their first electricity. 'he cost to the customer was o high, he alleged, that it was impossible to devise any conract in which potential excess osts incurred by the Board due ɔ poor contractor performance an ever be recovered from the ontractor, even by taking over ıe full assets of the firm."

To illustrate this assertion he ıok the example of a power :ation costing about £350m., here the major contracts ıvering work such as turboənerators, boilers, civil enginering, would be of the order of 50m. apiece. If one such conact was fulfilled a year late, ıusing the entire project to slip ıe year, the Board could :pect to recover just £2.5m. om the defaulting contractor liquidated damages liability. But the cost of a year's slipıge to the CEGB would lie mewhere between £59m. and 4m., as the accompanying ılance sheet shows. Even this er-run would not include the st of replacing the missing ectricity from older and less icient plant, which could nge from £30m. for fossil-fuel ant to £110m. for nuclear ınt.

Costs of this magnitude, said . Peddie, meant that the ard was obliged to involve itself in the total process of power plant contracting, while at the same time clearly defining its contractors' responsibility and accountability for performance. Tacitly, he admitted that the Board recognised that its own organisation had failed to keep pace with the increasing sophistication of power plant technology. Only in 1974 had it completed a long-planned move to co-ordinate all generation and development resources in a corporate attack on the problem.

One of the first moves of the new project management was to take a critical look at past performance — *a post mortem* which helped the Board to determine how, ideally, it would like to construct power stations in future. From this it concluded that more resources had to be deployed at the design stage of a project, to ensure that the design was completed, verified and audited before big spending began.

Mr. Peddie offered some horrifying examples of the consequences of failing to do this in the past. The failure of its contractors to produce and prove gas circulators on time for the advanced gas-cooled reactors (AGR) had added £30m. to the programme. Rejection by the Nuclear Installations Inspectorate, at a late stage of a key design feature in the containment of the AGRs, previously agreed between the Board and its contractor, had added another £25m.

From the evidence of this *post mortem* Mr. Peddie concluded that in the risk areas, which were commonplace in power station technology, for every £10,000 that the Board and its contractors failed to spend at the design stage, costs of the order of £1m. could be incurred for design, manufacture and associated time-dependent costs later on.

The Board also recognised that site management had failed to keep abreast of the growing complexity of power plant technology.

Productivity on large construction sites in Britain appeared to be well below that of other nations. CEGB experience was that only 30-40 per cent. of available man-hours were being effectively used in mechanical erection work.

Where once site management had needed to organise comparatively small groups of itinerant workers, doing jobs that were largely independent of one another, now much bigger numbers were needed, very few of which were permanent employees of the contractor, but who were expected to work to exacting standards in extremely confined spaces for long periods at a time. In such circumstances disputes over wage differentials, conditions of employment, demarcation lines or rights to union membership all tended to become amplified.

Some of the problems on sites could be reduced by directing more resources to the design phase of the project, so avoiding the disillusionment that follows when, for example, work has to be stripped down and redone, with consequent losses of bonus for the employees. But other problems could be contained only with more sophisticated contract strategies and manpower management procedures.

What, then, has the CEGB learned to back up Mr. Peddie's claim to "considerable experience of managing high technology?" Above all, it has learned that before it takes the risk of placing contracts it must know much more about the capabilities of its suppliers, especially with prototype stations such as the 2,500 MW nuclear station based on the "steamer" it is building at Sizewell. To this end its engineers are auditing all major suppliers for their performance in quality assurance and in programme management, from manufacture through to site work. Already about 500 companies have been audited over the past year, and the results discussed with the companies concerned.

First, the "auditors" make an evaluation of the supplier's present practices, and report any inadequacies found to the management. If these should prove particularly gross, they may warn the management at this stage that the company is unlikely to qualify quickly for a "certificate of compliance." Then the auditors return from time to time to assess practices relating to specific pieces of work passing through the factory.

One industrialist closely involved in the auditing describes it as "formalising the kind of thing the best managers have done in the past."

The next step by the CEGB will be to audit the certificated companies for their management of the design process, from drawing board to factory floor.

Its aim overall is that, very early in a prototype project — before detail design has even begun — it will have made a systematic management study of seven vital areas of the project: resources will have been checked; manufacturers will have been audited; an agreed reference design will have been established; the extent of extrapolation and innovation will have been defined; areas of risk will have been identified; the prototype design and development programme will have been refined; and areas where basic design data and techniques are lacking will have been revealed.

Only when these studies have been completed, and a second status and audit report on the project approved by the Board, will the main plant contracts be awarded and the detailed design begin.

Sceptics could allege that the whole operation is nothing more than an elaborate delaying tactic designed to let the CEGB avoid ordering new generating plant and spending money while keeping its own large engineering team occupied. One executive goes so far as to suggest that the CEGB engineers are unqualified by their experience to try to make such an audit. If they were, he suggests, they should be working for industry themselves, not for the CEGB.

Nevertheless, so commanding is the situation of the customer here, even its major contractors are unlikely to protest very loudly. Turbo-generator troubles, for example, have been too frequently recurring a feature of power station delays for its sole supplier (GEC) to claim that an audit of its performance would be undignified.

"Cost of ownership" of 2,000 MW station

Power station costing £350m., delayed for 1 year by default on a £50m. contract.

Credit	£m	Debit	£m
Liquidated damages at 5%	2.5	Interest during construction at bank base rate	40-45
		CPA* and other escalation factors	10-30
		Time-dependent costs	9
Total	2.5	Total	59-84

* Contract price adjustment

Selling a chemical image

CHEMICAL COMPANIES which have in the past puzzled how to communicate to the world details of their new effluent treatment plant, information on a new catalytic combustion process, or simply why the boiler blew up, may not have to rack their brains much longer.

In future, on these and other similar occasions, the call is likely to go up instead to fetch the red book—a weighty 200-page guide to public relations for chemical manufacturers produced by the Chemical Industries Association, the industry's trade organisation.

The association has been anxious for some time that the industry should discard its low profile approach which has often resulted in the industry coming to public attention only when it has been making an unfavourable impact on local communities, for example through pollution.

The changing social, political, and economic climate means that the industry has to look outwards, according to Mr. Bill McMillan, the association's external relations director. "There is a need for a more positive approach, to provide much more information on the chemical industry's activities, performance, statistics, attitudes and policies," he claims.

As well as providing much basic information of this sort in a bid to stimulate more public awareness of the industry's importance, the book also includes guidance on how companies can seek to put their own message across.

Thus it contains biographical details of all current members of Parliament, an outline of the local authority structure in each part of the country, and a list of national, regional and local newspapers, radio and television stations.

According to Mr. McMillan, the biggest companies in the industry, and many small and medium-sized concerns, are already managing effectively to communicate with the public. The association is hoping, however, that the guide will encourage the spread of information in all areas where the industry provides employment and information.

To help some of the smaller companies which have perhaps not been keen to involve the Press in their activities and which have been surprised at misunderstandings that have occurred, the book gives advice on working with journalists. Apart from outlining how to write a Press release, it also provides such tips as: be friendly to journalists; do not argue with editors or reporters when a story is not used; make yourself known to newspapers; do not feed them "puff" paragraphs; and never use pressure or influence to get a story printed.

Guide to Public Relations. Chem. Ind. Ass., Alembic House, 93, Albert Embankment, London SE1 7TU. £10 regional edition, £15 national edition.

Rhys David

Business flying without tears

BY MICHAEL DONNE

LAST WEEK'S decision by British Airways to introduce an experimental "executives' cabin" aboard its Boeing 747 Jumbo jets to Hong Kong could prove to be the first breach in the dam leading to improvements in the quality of service for businessmen, not only aboard BA's own flights but also those of other airlines.

Basically, the BA move—starting in April—is aimed at ensuring that the businessman or any other traveller paying the full economy-class fare is separated out from the vast mass of other non-first-class travellers occupying the 747. By giving those economy-fare passengers a separate cabin—the "B" cabin immediately behind the first-class section—BA feels it can restore to them some part of the benefits attaching to their fare that have been steadily eroded over the years by the growth of the very low-fare promotional traffic.

Hong Kong

It is a limited but significant victory for the businessman. On the Hong Kong route alone, the full economy-fare traveller represents 18.5 per cent. of BA's traffic on the route. Throughout the airline as a whole, there are over 4m. business travellers a year (or nearly 30 per cent. of its total traffic), most of them flying economy class. BA, through its advertising, makes the point that if a man is worth sending a long way on his company's behalf, he is worth sending first-class so that he arrives fresher and fitter for duty, carrying also the subtle cachet among his business acquaintances that he is important enough to rank first-class—which counts for something in the Far East particularly.

But the airline also recognises that not every company can afford to do this, and that increasingly many of them are having to send their executives economy class. The difference in the fare is over £500—between £1,230.80 return, London-Hong Kong, first-class, and the £720 return economy-class. What has increasingly irritated these companies' executives on many routes in recent years is that they have been sitting aboard the aeroplane alongside other passengers who openly admit that they are flying on substantially cheaper rates. BA says that the cheapest way of getting between London and Hong Kong and back is £280, for an Advanced Purchase Excursion (Apex) off-peak return ticket, which rises to £320 in the peak. There are varying other rates, ranging through the off-peak 30.45 days excursion rate of £446.20, but the gap between the normal economy rate and the cheapest Apex rate is no less than £440.

Admittedly, all of the cheap promotional fares are hedged round with conditions, ranging from specific periods of validity, like 30.45 days, through to the necessity for booking 60 days or more in advance. Clearly, the majority of businessmen cannot accept such conditions: most of their journeys are arranged at much shorter notice, and they have to be more flexible as to their return arrangements. But, despite such a wide disparity in fares, the business traveller often finds himself sitting in the same cabin, eating the same meals, getting the same standards of cabin service, and probably also suffering some of the worst excesses of low-fare promotional traffic—such as children allowed to run wild up and down the aisles.

Not surprisingly, BA has received over the years a veritable barrage of complaints from business travellers who increasingly have come to feel—rightly—that they are being discriminated against. BA, to its credit, has decided at last to redress the balance a little.

There are various ways of doing it: the best is probably the way now chosen—segregation as far as possible. By setting aside the 48-seat B cabin, BA can ensure that the full economy-fare traveller can get a greater degree of peace and quiet, the company of travellers in the same class as himself, free refreshments, and perhaps some other amenities such as special writing facilities and so on. The benefits, of course, can be only marginal, for there is a limit to how much any airline can give away—but at least it is a start.

Check in

BA says that on the Hong Kong Jumbo, the full economy-fare traveller will be detected at check-in simply by the fact that his ticket says he is paying the full fare. (A more secure way of getting what he wants is for the businessman to identify himself on booking, requesting the executive cabin.) He will then be allocated a seat in that cabin. BA could go one further and give him some kind of special treatment on the ground—like the use of a special lounge prior to flight and an escort to the aeroplane.

The airline cannot really guarantee anything. It must be a case of first come, first served. If the executive cabin is full, the late bookers will have to be accommodated in the front rows of the seats in cabin C—not such a favourable place to be. Also, there is little that BA can do if a family paying the full economy-fare gets aboard and demands the executive cabin, or if there are so many low-fare promotional travellers that they, too, spill over into the executive cabin. One way out of that conundrum might be for BA to put all the genuine businessmen's names into a hat and draw lots for any vacant first-class seats that might be otherwise empty on take-off, at no extra fare.

This raises the question of why Hong Kong has been chosen. The answer is that it is a "cabotage" route between British territories, on which the normal rules of the International Air Transport Association do not apply, so that BA is able to make its own rules, subject to the approvals of the U.K. and Hong Kong Governments, especially regarding standards of in-flight comfort and service. The other question is when the scheme, which is almost certain to be a success, will be extended to other routes. This is more difficult, not only because of the IATA rules but also because of the large number of other scheduled airlines involved. There are over 20 of them on the North Atlantic between Europe and North America, for example and they already find it difficult enough to agree among themselves on such matters as fares.

But some airlines already have ideas along much the same lines as BA. Pan Am, for example, does set aside the B cabin on its long-haul Jumbos for what it calls "regular travellers," it recognises that those who bring it good business deserve some little reward, even if it is only a seat in a more comfortable part of what, when fully loaded with Nearly 400 passengers, can be a very uncomfortable aeroplane indeed, especially in the cabin furthest aft.

El Al

El Al, the Israeli airline, is now thinking in terms of a complete reorganisation of passenger classifications on long-haul routes, introducing a new "business class" at an appropriate fare and a "third-class" fare for the tourist and promotional traffic. All the Atlantic airlines have been discussing for weeks inside the IATA traffic conferences ways and means of introducing new cheap scheduled rates to combat charter competition on the route, and if this development occurs—and it could come this summer—the pressures for some kind of "business class" between the first-class and the cheap traffic must increase.

In the meantime, BA has opened the door a little, and has given on at least one route some inkling of hope that the businessman may at last be about to win back some of the benefits to which his higher fare entitles him. Other airlines will be watching it with interest, and it may not be too long before the idea does spread to other routes.

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TUESDAY, FEBRUARY 24, 1976

No break with the TUC

YESTERDAY'S meeting of the Labour Party/TUC Liaison Committee seems to have gone off as well as could reasonably be expected in the circumstances, with union leaders voicing a *generalised concern about the* effect of some of the spending "cuts" listed in last week's White Paper but Mr. Jones declaring afterwards that the two sides were still united. There are two separate aspects of the proposals contained in the White Paper which are of direct concern to the unions. The first is the reduction in previously planned expenditure on various social services and the price rises which will be brought about by eliminating subsidies. The second is the employment consequences for various unions with members in central or local government service and in the nationalised industries.

But the Chancellor has three strong points to make in reply to this concern. The first is that most of the "cuts" are in fact reductions in the previously planned rates of growth of various spending programmes. The second is that, without some action of this kind, the rate of tax paid by the average industrial workers would have had to rise steeply and the problem of bringing inflation under control would have become correspondingly more severe. The third is that total public expenditure is actually to rise considerably above earlier estimates during 1975/6 and 1976/7, with the reductions beginning only in 1977/8.

Modify and adapt

The very features of the White Paper which have caused us to feel that the Chancellor is doing too little too late are those which should help to make it acceptable to trade union leaders. The financial year 1977-78 may well seem a comfortable distance away to those who have more pressing problems — like the current growth of unemployment — to consider, and the TUC seems *at present disposed to regard* the White Paper as Green—as setting out proposals for discussion, that is, rather than firm plans. There is some justification for this attitude in the document itself. "While the Government recognises the need for spending authorities to plan ahead on as firm a base as practicable," it states, "the uncertainties in the prospects for the economy and for world trade and payments rule out a firm commitment to expenditure *plans. The Government* will therefore be ready to modify and adapt these plans as the general course of the economy and the most important needs of the community require." The TUC may well hope, as we fear, that some of the proposed "cuts" will never take place.

What is perhaps more to the immediate point, from the union point of view, is that "the tax burden will still increase, but by a *manageable* amount" even after the "cuts" have taken place. The Chancellor gave a plain public hint, before the publication of the White Paper, that he was ready to make it easier for the TUC to recommend a lower norm for pay increases in the summer by lowering certain tax rates in his coming Budget.

Pay restraint

Even if certain rates of tax are cut, however, the internal dispute about flat rate versus percentage increases in pay will remain to be settled. Since the Chancellor is most unlikely to administer the strong immediate push to home demand which the TUC is after, the anxiety of union leaders about unemployment and the cuts in expenditure might melt into a single mood of disenchantment with Government policy, and the angry protests of Labour's left wing would then assume a more practical importance. The same point may be put another way. The disadvantage of announcing spending cuts and higher prices a year ahead of the event is that one loses good will and increases inflationary expectations at once but gains no immediate benefit in exchange. Since the next phase of incomes policy is in any case likely to be more flexible and easier to circumvent, it is the mood not so much *of TUC leaders as of* individual workers with which the Chancellor must be principally concerned. The second part of this year's Budget — the first was the White Paper itself — will clearly have a major effect on that mood.

A possible lifeline for Mr. Smith

THE British Government is now ready to resume direct involvement in the negotiations for a Rhodesian settlement—on certain conditions. Mr. Ian Smith, the Rhodesian Prime Minister, has indicated that he might be prepared to accept, even welcome the involvement, though without as yet complying with the conditions. British diplomacy is therefore now concentrated on finding out how much Mr. Smith is ready to give. Only if he shows himself substantially more flexible than in the past can the British decision to resume real (as distinct from theoretical) responsibility be taken.

Surrender

In effect, Mr. Smith is being asked to negotiate the end of white supremacy, or alternatively to allow the British to do it for him, and to do so in a relatively short period of time, for even if the outside limit for the introduction of majority rule in Rhodesia is two to three years, the actual decision to introduce it will have to be taken much earlier in order to allow the negotiators to work out the details. Either way it amounts to a call for surrender.

Mr. Smith's regime has so few friends and so little outside support (probably not even the Government of South Africa will back him now) and faces so many increasingly powerful enemies that acceptance of majority rule is by now the only way of seeking to negotiate reasonable terms for the white minority population. Yet one cannot be sure that Mr. Smith will see this and indeed the *evidence* so far indicates that he is doing no more than changing his tactics.

What is clear, however, is that unless Mr. Smith (or a replacement) gives unequivocal assurances that the regime is ready to accept early majority rule, there can be no case whatsoever for direct British involvement. Britain's resources for an overseas policing (let alone military) role are even less now than they were when military intervention was ruled out at the time of UDI. The surrounding circumstances have also changed dramatically. The Rhodesian Nationalists, though divided, have become more powerful. There are African Nationalist Governments in Angola and Mozambique. President Nyerere, of Tanzania, is already backing the Rhodesian guerillas and President Kaunda, of Zambia, is apparently on the verge of it. There is the possibility, however remote, of Soviet-backed Cuban intervention while even Mr. Vorster in South Africa would now clearly prefer a black Rhodesian Government to the conflict which threatens.

For Britain the lesson is plain: the only circumstances under which the Government can contemplate becoming directly involved in the negotiations are those where the principle of early majority rule has already been accepted by white Rhodesia in advance. Secondly, the only negotiations over which Britain could preside would be those likely to lead to a settlement acceptable not only to black Rhodesians, but also to Rhodesia's African neighbours. Otherwise either the settlement would not be reached or it would not be honoured if it were and Britain would again be involved in a situation where it has responsibility without power.

Courage

To give credit to Mr. Callaghan and the Foreign Office, these considerations at present seem to be being borne in mind. They must not be lost sight of in the diplomatic excitement which the search for a Rhodesian settlement seems periodically to generate. Mr. Smith is being offered a lifeline. He has yet to show he has the courage to take it.

The world's car makers, with few exceptions, are showing encouraging signs of recovery from the rece period of recession. But increasing competition is forcing more of them towards co-operative venture

Terry Dodsworth explains how this is being done and its likely effects.

Creating an illusion of difference

"PROFIT IS A variable, and a volatile one, in the automobile industry," wrote Alfred P. Sloan, the architect of General Motors, in his historic book about the creation of the world's largest company. Sloan's dictum has rarely been demonstrated more dramatically than in the past three years. To-day it is hard to remember that 1973 was one of the boom years for the industry, with sales and profits records tumbling by the score. *In a year's time it may* be just as difficult to recall the despondency which has gripped the industry over the past 24 months.

Already there are encouraging signs of recovery in the industry. Peugeot, Mercedes and BMW have all recently announced healthy profits for 1975, and Volkswagen, whose appearance on the sick list in 1974 caused a particularly acute tremor, is trading profitably again. In Japan, Toyota has turned in good profits, and in the U.S. both General Motors and Ford, having tested the wind, are going ahead with heavy investment programmes.

Most manufacturers now forsee a spell of steady, if undramatic, growth, and several European factories (notably those of Peugeot and Opel) are short of labour. As the accompanying table shows, production moved ahead slightly last *year in several companies*, with spectacular revivals in some, such as the German Ford, and Opel.

The marginal producers

As growth sets in again, however, it is clear that the slump of 1974-75 has given yet another push to the rationalisation of the industry into larger groups. In the manner of all depressed periods the last two years have identified the marginal producers, the companies that have survived in the shadow of the world leaders because of excess demand rather than any special contribution they have to make to the industry. The searchlight has been turned on such companies all over the world.

Perhaps the most striking examples of these problem areas lie in the Japanese industry, which has mistakenly gained such an image of invincibility in the West. Of course, both Toyota and Nissan, the two largest Japanese producers, have sailed through the crisis with a few cuts and readjustments to production. But the third largest company, Toyo Kogyo, which makes the Mazda marque and has sought a special niche in the market with its rotary *engine, has been virtually taken* over by its bankers. Having lost £2.7m. last year, despite the liquidation of £35m. of assets, the company has accepted the appointment of a number of new managers from the Sumitomo Bank to which it is linked.

Rumours also persist about the state of Isuzu, in which General Motors has a 34 per cent. stake, and which has also undergone a sweeping management reorganisation while seeking a large financial transfusion from GM.

Similar difficulties have been experienced in Britain (British Leyland and Chrysler), France (Citroen) and Holland (DAF). And in the U.S., Chrysler Corporation has registered a record loss of $115m. over a nine-month period.

Domestic markets

What is common to all these companies, with the exception of British Leyland, is a relative weakness in their own domestic markets. Toyo Kogyo is the third largest car manufacturer in Japan, but has never produced more than 465,000 units in a single year. This is a relatively small number in the world league, and makes it a positive dwarf alongside Toyota and Nissan: Isuzu makes less than 50,000 vehicles.

Similarly, Chrysler Corporation has never taken more than 17 per cent. of the U.S. market in a single year. DAF, now taken over by Volvo, turns out less than 100,000 cars a year. Chrysler in the U.K. has never *taken more than 14 per cent. of* the market; and while Citroen, producing up to 600,000 cars a year, is by no means a minnow in France, it has been exposed to the combined weight of Renault and Peugeot plus the Common Market manufacturers on its doorstep.

Despite the recession, it is notable that none of these companies has disappeared. This follows the traditional pattern of the motor industry, which has tended to use trade depressions as times to promote mergers: in the past there has always been a prospect of growth, and the major problem has not been to get rid of capacity—indeed it has been needed for the next upturn—but to promote its better use. The past two years have seen a repeat of this familiar pattern of coalescence, as Volvo has taken over DAF, Peugeot linked up with Citroen, and Chrysler U.K. been pushed into further integration with its sister company, Simca, in France.

How far these mergers guarantee a future for the factories and employees concerned depends very much on whether car sales pick up as strongly as the optimists believe they will. But being part of a large grouping is clearly a considerable defence for manufacturers aiming at the mass market. As the past two years have shown, while size may be no guarantee of success, companies with a spread of resources tend to be stronger than smaller units.

In both Japan and the U.S., for example, the two largest manufacturers (Toyota and Nissan; General Motors and *Ford) have all managed to re*main profitable during this period. The problems have hit the European manufacturers harder, because they operate in less well insulated domestic markets, but of the four largest companies, three — Ford, Renault and Fiat—appear to have kept their heads above water, although final results have not been declared for 1975. Ford's European business has remained in profit, Fiat has more or less broken even, and Renault is not expected to make large losses. Volkswagen, with its catastrophic 1974 loss of £140m. is the exception, but it has been pulled round by radical surgery.

DOMESTIC CAR PRODUCTION BY MANUFACTURER, 1973-75

	1973	1974	1975
Renault	1,293,000	1,356,000	1,290,000
Peugeot	685,000	634,000	644,000
Citroen	659,000	599,000	624,000
Simca	560,000	468,000	474,000
VW	1,364,000	1,170,000	1,050,000
Mercedes	332,000	340,000	350,000
Opel	874,000	584,000	656,000
Ford	456,000	286,000	413,000
BMW	196,000	185,000	217,000
Fiat	1,504,000	1,314,000	1,210,000
British Leyland	876,000	739,000	605,000
Ford	453,000	384,000	334,000
Chrysler	265,000	262,000	216,000
Vauxhall	138,000	137,000	99,000
General Motors	5,253,000	3,571,000	3,699,000
Ford	2,497,000	2,205,000	1,808,000
Chrysler	1,556,000	1,176,000	903,000
American Motors	356,000	351,000	324,000
Toyota	1,632,000	1,485,000	1,715,000
Nissan	1,487,000	1,256,000	1,527,000

Research and development

The advantages of scale both *in terms of cost reduction per* unit and in marketing weight, need little elaboration. Another point that is often ignored, however, has been very evident during the crisis. This is the increasing vulnerability of smaller companies to the escalating research and development costs involved in producing new models.

Chrysler U.K., for example, forced to postpone model changes because of its financial *crisis, added to its problems by* losing more market share. Thus a prime element in the Government funding operation is the loan agreement to develop new cars. Again, one of the main factors in British Leyland's crisis was the problem of finding backing to finance a replacement for the Mini. At Citroen, the cost of building a new plant for the CX model, a car that has been universally acclaimed for its quality and design, *proved too much for the* company's resources. And part of Chrysler U.S.'s problem derives from its misreading of the American market a few years ago which led it to develop a range of large cars. This policy has left it with limited funds to break into the growing U.S. small car market.

Research and development costs have been a major factor behind the moves of the multinational companies to integrate *their activities across national* borders. The classic example, of course, is Ford of Europe which has been developing and refining its policies since the mid-1960s. Having started its integration course with a small-volume specialist model, the Capri, Ford last year produced the new Escort which had considerable success in both Germany and the U.K., and by the end of this year with the launch of the new medium range model and the small Fiesta, the company will have a completely integrated European range.

Similarly, one of the features of the Chrysler rescue is an attempt to push the U.K. and French companies down the trail blazed by Ford; and at Citroen and Peugeot there is already some joint component manufacturing work. But the most complex example of integration is at General Motors, which despite its elephantine size has shown great dexterity in juggling its resources, not only in Europe but on a world scale, too.

In the U.S., for example, General Motors has introduced its new small car, the Chevette, in roughly two years and built up output rapidly to 250,000 units a year. This is amazingly fast for the launch of a new model, and has been possible because most of the development work had been done by GM's companies overseas, chiefly Opel. The U.S. Chevette shares several features with the U.K. Chevette, the Kadett in Germany, and General Motors' cars in Brazil and Japan. Together the five companies have pooled R and D resources.

By combining facilities like this, GM also gets a production and marketing spin-off. For example, it is now phasing Opel models out of the North American markets (because of high German prices), and replacing them with almost identical Isuzu models. But in order to keep Opel volumes up, it has turned its Antwerp assembly plant, previously a source for the U.S. market, over to the Cavalier model. This car is a remarkable hybrid, with parts made in Germany from the same tools that produce the Opel Ascona; yet sold in the U.K. by the Vauxhall subsidiary: to source Vauxhall from Germany, a move GM has *resisted strongly for years*, indicates the radical new commitment the group has made to integration.

Spreading research and development costs is a more complicated matter for the so-called European specialist producers. These manufacturers—Peugeot, Mercedes, BMW, Volvo—survive on lower production volumes but higher prices by promoting the notion that each offer something un[...] In achieving this they have produced reasonably he[...] profits over recent years; during the recent crisis, [...] produced difficulties at [...] and Volvo, none of these m[...] facturers slipped into l[...] and Mercedes has achieve[...] distinction of continuin[...] raise production annually 1970.

Nevertheless, competiti[...] intensifying in this sect[...] the market, and it will [...]ably push the specialist[...] wards more co-operative [...]tures. For example, Volv[...] Peugeot (along with Ren[...] are two of the companies have been involved in the engine project which has duced the V6 unit for company.

Down the sa[...] path

The mass manufacturer[...] be expected to follow th[...] of Renault and go dow[...] same path. Volkswagen, f[...]stance, has recently adr[...] that it is discussing s[...] joint projects with other [...]pean manufacturers, and significant that the G[...] company has bought the [...]kins diesel engine for it[...] light truck and just cont[...] to supply 300,000 engin[...] Chrysler.

Thus, while cars will [...]ably grow increasingly under the skin it does not that they will look [...] Appearance is still bal[...] battle in the motor bu[...] and one of the main ta[...] the designers of the futur[...] be in creating the illusi[...] difference. This, in effe[...] what General Motors has doing for the last 40 years Sloan laid down the poli[...] manufacturing co-ordi[...] *between the different mar*[...] companies. "It is per[...] possible, from the engin[...] and manufacturing [...] points," he wrote, "to mak[...] considerably different in a[...]ance and, to some extent [...]ent in technical features, built with the same fundan[...] tool equipment." S[...] maxim is now being a[...] to Europe.

MEN AND MATTERS

Break with tradition

In asking Albert Frost to become a part-time non-executive director Marks and Spencer is breaking a tradition that has been maintained at least since the war. The reason for the departure is that Marks does not have home-grown talent with sufficient experience of overseas activities and M and S is gradually expanding in both Europe and North America.

Who better to bring in, therefore, than the retiring finance director of ICI—who is going only because of the company's inflexible rule of retirement at 62. Inevitably, having reached *his* position in a group with such wide international interests Frost has a wealth of knowledge to contribute.

Unusually for a finance director Frost is not an accountant, but a barrister. He joined ICI 27 years ago from the Inland Revenue to work in the company's tax department, and worked his way up through the ranks from there. His last major task before he leaves ICI is to set up the £200m. financing needed for the Ninian field in the North Sea and he said yesterday that he has set his heart on completing that before he goes "and handing it to the Board tied up in blue ribbon."

Although he is leaving ICI, Frost is not cutting off other business links. He is on the NEDO Committee on Finance for Industry and is also a member of the recently formed *Association for Business Sponsorship of the Arts*. The latter however he might regard more as a hobby than a business since he is a keen musician and runs his own violin quartet.

Having more time to devote to playing and listening to music is one of the attractions he sees in retiring from a full-time executive post, but he will still have capacity to spare for other interests, and I would expect to see his name cropping up on other Boards in the future.

Crystal gazer

A standing joke among colleagues at Harwell is that, as an accomplished conjuror and member of the Magic Circle, Dr. Freddy Clarke can always be relied upon to pull something out of the bag. Now 47, he's been doing this for Harwell as a professional scientist for more than 20 years, most recently as marketing manager responsible for one of Europe's biggest contract research operations.

In his new job this week, as research director responsible for energy, Clarke must discard his wand for a crystal ball. His main task now is to lay the foundations for a national research strategy that will ensure that Britain remains self-sufficient in energy supplies once the North Sea runs dry.

Clarke, already known as something of a visionary, takes the (unorthodox) view that extrapolation of present energy trends gets you nowhere "except to show how imponderable is the future." So he's projecting himself into the future and trying to picture some energy scenarios based on different social assumptions.

What, for example, would we need to do in research to try to achieve an all-electric energy *future* for Britain? Or a future that included little or no nuclear energy?

It's not the job of research and development to make the decisions, believes Clarke, but to keep options open for the decision-makers. It's also the job of scientists to ask perceptive questions. He's been asking the oil companies and utilities to list the ten technologies that worry them most when *they* try to peer into their crystal balls.

Durlacher opts out

Peter Durlacher has not had the most straightforward of relationships with the family stockjobbing firm, Wedd Durlacher Mordaunt. First he avoided the place in the belief it was over-populated with Durlachers. He went into merchant banking, eventually quitting after a disagreement at Fraser Ansbacher. Then Wedd Durlacher asked him to do a report on Continental stocks, and having received it, took him on to run a new department dealing with them. Now Peter Durlacher is cutting the ties again.

The Continental stocks scheme was a "moderate success," he says, but interest in them waned not long after Wedd's new venture in 1973. For the last few weeks, Durlacher has been back on the financial consultancy tack, and has landed no less a client than the Stock Exchange itself.

Durlacher's brief is to look at options, and see whether a market for trading in them is feasible—a subject always liable to raise political hackles about speculating.

Durlacher recognises that, but claims: "Anything that improves the efficiency of the market place must improve its ability to raise new capital." At the moment, options in Britain cannot be traded as such but run to their three-month expiry date, then are taken up or allowed to lapse.

The very active three-year-old Chicago options exchange has shown how options can blossom, and the prospects for a European association are being discussed by the London and Amsterdam exchanges. Durlacher is to sell his shareholding with Wedd's switch back from company to partnership status, and will concentrate on the options study.

If trading Chicago style is adopted here, Durlacher promises lively times: business on the trading floor, he reports, tends to get done with a good bit of "screaming and yelling."

Economy drive

A colleague reports that a friend had his credit card stolen recently. He decided not to report the matter to the police when he discovered that the thief was spending less than his wife normally did.

Observer

مكتبة الأهرام

هكذا اصبح الأمل

BY JOE ROGALY

The supplementary benefits backlash

HE GOVERNMENT needs to ut public spending and supplement the incomes of the very oor. These two objectives are ot wholly irreconcilable, though it is unfortunately ery difficult to focus on both them at the same time. For a poverty lobby is under tack — so much so that the overnment could one day wake to discover that cuts, nuine cuts, in welfare spendg were wildly popular. It is t difficult to imagine a time hen there will be a dangerous mptation to cut too much.

For example, yesterday's cision to stop the payment of pplementary benefit to dents on Easter or Christs vacation is an overdue form. It would be even better any consequent saving was least partly diverted to ople in serious distress, such pensioners faced with imposly high winter fuel bills.

mmoderate

With public expenditure as bly controlled as it is to-day kind of trade-off may not ke much difference to the nd totals. But the sentiment favour of reducing social urity payments is strong, and t those who harbour a uine concern for the poor t fear is a series of imerate slashes at the welfare in the not-too-distant future. e fundamental reason for is that more and more rs have begun to realise : (a) the lower-paid who t for a living can be as badly s the sick or unemployed ld; while (b) everyone, to the lowest levels of income, contributes to the equer funds from which fits are drawn. As the e Minister might put it, one man's dole is another man's tax deduction. This is becoming very widely understood.

In support of this picture we now have the words and evidence of Professor David Donnison, the recently appointed Chairman of the Supplementary Benefits Commission. In an article published in *Social Work To-day* on January 8 Professor Donnison wrote that:

"A lot of poor, hard-working people have as much difficulty as our claimants have in paying their rents and fuel bills, getting an education or training for themselves and their children, sorting out their tax problems, and paying their fares to hospital or to court. They often resent it deeply when we meet these needs for claimants and leave them — the working poor—struggling. (I know: I see their letters.)"

Later in the same article he added: "Those letters which arrive by the hundred each month, complaining that we hand out too much in social security benefits and support too many layabouts and scroungers, rarely come on headed notepaper from the leafy suburbs. Most of them are written by ordinary voters and taxpayers."

Last night, in the Seth Memorial Lecture at the University of Edinburgh, Professor Donnison returned to his theme. "Whereas in the summer the newspapers concentrated on fraud—people who get benefits to which they are not entitled—they have since begun to allege that those who get what they are entitled to are getting too much," he said.

"I believe this hardening of the attitudes is a natural result of rising unemployment. Those who are still in work like to feel their good fortune is due to something more creditable than luck: the unemployed must be out of work through their own fault—a view widely shared even by men in the dole queues, it seems." Inflation had reduced the tax threshold to a point at which almost everyone in work was more sharply aware than hitherto that other people's benefits came out of his own earnings.

The lecture is a lengthy open discussion of the issues arising out of this shift in public attitudes. It is to the credit of Professor Donnison that he is willing to open up the debate in this way—and indeed one must acknowledge that it was Mrs. Barbara Castle who, last May, asked the Commission to enter the fray.

For there is no doubt that this is a difficult one. However much one acknowledges the need to make a genuine cut in public expenditure, the fact remains that the great majority of people on social security really do need the money. In hard cash terms—that is, in the kind of money even the Treasury should be able to understand—spending on supplementary benefits has more than doubled over the past five years. It was £524m. in 1970-71, £690m. in 1972-73, and £839m. in 1974-75. The 1975-76 out-turn figure is not yet available, but the calendar 1975 expenditure was £1.125bn. In "real terms," as in last week's White Paper, this is an increase of only 20 per cent., to be followed by a slight fall over the next five years according to the imaginary world of such projections.

The table shows how much of this spending is probably unavoidable for so long as our present notions of the lowest level of subsistence our society can accept persist. About two-thirds of the recipients of supplementary benefit are pensioners; the conclusion to draw from this is that pensions are too low, not that benefits are too high. There was a decline in the number of pensioners drawing supplementary benefit at the end of 1974 and 1975; this is the result of the very large increases in State pensions in those years. On present pension plans, this decline should continue.

Again, the second line of the table, indicating the number of unemployed who draw supplementary benefit, is very largely a reflection of the unemployment rate. Once you have been out of work for 12 months this kind of social security is likely to be your primary means of support. In moral, if not financial, terms there is a case for better benefits for the long-term unemployed (who, unlike pensioners, do not get the "long-term addition" to the scale rates). The other lines show other broad areas of need: the sick and disabled and those with children and no breadwinner or chance to do a proper job who must be beneficiaries if the welfare State is to mean anything at all.

Within these areas there is room for much re-arrangement and some possible reduction in what is spent and the manner in which it is spent. For example, the increases in pensions over the past couple of years have resulted in a significant shifting of the balance of welfare spending away from families and towards the old. These matters are difficult to calculate, but the swing may have been as high as 15 per cent. Has it gone too far?

Professor Donnison said last night that the founders of the welfare state, starting with the wartime Beveridge Report, could not have intended that the whole system of means-tested benefits should one day support something like 8 per cent. of the population. To him there are three fundamental ways of reducing the numbers: full employment, improved pensions and "an adequate system of family support." The first is not being provided while, in my view, the third is being denied partly at the expense of the second.

Together with high taxation, this may explain why in Professor Donnison's words "the country is now passing through a backlash (not suprising or even wholly unjustified) against Government, the Civil Service, social workers, social welfare and (wholly *unjustified*) against the more vulnerable people who depend on welfare to survive."

Prosecutions

He acknowledges that in such a climate the Commission must "show that it is not soft on fraud." There were 40,000 suspected cases in 1974 and 14,000 prosecutions — nearly all successful. Some of those who stay unemployed for what seems like much too long are interviewed by his officials. In 1974, 160,000 such interviews were booked; and more than half of the beneficiaries stopped drawing benefit either just before or just after the interview date. Professor Donnison balances such figures with what he believes to be the far greater numbers of those entitled to claim who do not do so. To those who say benefits (currently about 60 per cent. of average net earnings for a two-child family) are too generous, he points to the living standards of people at that level.

The dilemma is at the heart of our notions of what a modern state should provide: it is there whether you are a numerate Left-winger or a believer in the "social market economy" or even an old-fashioned Tory who wishes to restrict such payments to the level of poor relief. It is expensive, but it is unavoidable. The only fruitful line of questioning, therefore, is "how can the total be minimised, while the payments to those who need the money are maximised?"

One offering by Professor Donnison is a prediliction in favour of higher benefits but fewer discretionary allowances. In 1966, 15 per cent. of claimants were getting "exceptional" additions, shortly after the stripping-down of the system brought about by the Act of that year. But since then new needs have been made evident, additions here and there have been allowed, and now some 34 per cent. of claimants get additional allowances. An extreme example is the occasional supplementary benefits payment—as much as £200—to fell a diseased and therefore dangerous Dutch elm in claimants' gardens. "I believe we should guarantee people's incomes," said Professor Donnison last night.

Wide-ranging

The Donnison lecture is a useful start, but if the interests of the really needy poor are to be safeguarded the debate must become even more wide-ranging. For supplementary benefits alone account for about a ninth of total social security spending, and just a fraction over 1 per cent. of the gross national product. It is the *whole* of the social security and health budget that needs to be looked at, including the overlaps — so pointedly alluded to by Professor Donnison — with the work of other departments.

What is needed is a true reappraisal, on the Beveridge scale, of the proper shape of a contemporary welfare state. It would best fit public opinion if this produced a mechanism that paid most benefits in cash, kept numbers to those who by common consent were genuinely in need, and avoided the humiliations of an old-fashioned style of means testing. Such a model might not fit the highest aspirations of the most humanitarian among us, and it would be a pity if it were not adjusted towards a decent level of generosity. But that we need a new, slimmer, model cannot be doubted.

YEAR END SAMPLING OF PEOPLE ON SOCIAL SECURITY ('000)

	National Assistance					Supplementary Benefits			
	1948	1951	1961	1965	1966	1972	1973	1974	1975
Pensioners[1]	638	969	1,323	1,470	1,871	1,969	1,903	1,867	1,731
Unemployed	53	66	142	120	190	411	262	316	572
Sick and disabled	144	219	280	300	312	313	295	273	250
Women[2] with children	32	41	78	110	128	232	233	250	283
Others	144	167	78	75	79	89	80	71	63
TOTAL	1,011	1,462	1,901	2,075	2,580	3,014	2,773	2,777	2,899

[1] *Including certain widows over 60 years*
[2] *Under 60; single fathers included in 1975*

Letters to the Editor

ate-aided chnology

Mr. N. K. Gardner

—The £1.3bn. lost in aerolaunching aid should, ding to Mr. R. A. Harvey uary 18) be presumed to been a net gain unless it e demonstrated that withunching aid we should not suffered an even greater "All the indications," Mr. y suggests, are that with- a greater loss would in ave occurred. What are indications? First, there is idication from some 1965 ancies that aerospace worould have been forced to into industries having an 8 ent. lower productivity. l, there is the possibility he industries into which moved would have been to find markets for in- l output. The third indi—provided, apparently by computer—is that over 45 nt. of aerospace workers have been unable to find ative work.

y original paper (which bsequently reviewed in olumns on February 11) red to the various benefits may have tended to offset ancial loss, and I emphahat the overall balance e a matter of subjective nt. It does not seem to Mr. Harvey's indications nte usefully to such a nt. There is, to start n implied non sequitur nterpretation of the first on. It does not, of course, that, because labour proy was lower in other es, output would have st by allowing resources ansferred to them. Tranoutput losses might well ccurred (whatever the ivity figures) especially afers had been sudden. the context of the 30-year of launching aid, the se of such losses could have been as decisive as rey suggests. Failure to e time element into was, I suspect, also ble for the misleading of his third indication.

dden closure of the enspace industry would of have led to vast redeploypblems, but that is not t at issue. Launching provided to 40 projects period of 30 years—a luring which the total of ho joined and left the e workforce must surely en far greater than the employed at any time projects. Difficulties of markets for increased Mr. Harvey's second ight also have been ced in the short term; is, on the other hand, dence that the country's growth was constrained ages of skilled labour for the period during which g aid has been given, han by lack of demand products. Outside — including Professor Yale University—have d that the U.K.'s e performance has, in n harmed by an excesand for resources made erospace industry.

f Britain's exports have roduced by industries ave received no special ent aid. If one selected es of plant closures in engineering industry, it interesting to know if ey reached similar conabout losses to the to those he reached ndundancies in the airustry. Jobs are conost and created, even in ing industries: for in the electrical en- industry, between 1960 5, 200,000 jobs were gained in new or expanding plants, while 100,000 were lost from closures or in contracting plants.

As regards the scale of other possible benefits, it is hardly fair to credit launching aid—which was confined to selected civil projects—with the entire output of the aerospace industry, military and civil. The figure of £6bn. (1974 prices) quoted by Geoffrey Owen represents sales of supported projects, of which the £1.3bn. loss amounts, not to 5 per cent., but to over 20 per cent. It is of course a matter of judgment whether the net effect has been beneficial or harmful, but nothing in Mr. Harvey's letter has persuaded me to change what is, I need hardly emphasise, entirely my own personal opinion of the outcome.

N. K. Gardner.
15, Chanctonbury Way, N.12.

The Consumer Credit Act

From Mr. R. Ross.

Sir, — The Consumer Credit Act must surely rate as the greatest bureaucratic invention of all time. The basic assumption which resulted in this legislation is that anyone remotely connected with the provision of credit must be regarded as dishonest and the only means to overcome this is by extensive licensing.

Included in this category are all professional people, such as solicitors and accountants, who may be subsequently privileged to obtain a group licence, but who in the meantime must individually apply for a licence which will be considered by a bureaucrat and cannot be granted automatically, although there are very strong professional codes already governing the behaviour of professional people.

The ludicrous extent to which the controls are carried can be seen by referring to the Government's own booklet on the Act under the section referring to debt counselling. It points out that a licence will be needed to advise on the payment of normal trade credit such as . . . the milk bill or the newspaper account. It would appear that only where the credit exceeds £5,000 do these onerous restrictions cease to apply, so that, presumably, a bank robber stealing less than £5,000 would need a licence, but this would be unnecessary where he robs banks for larger amounts.

Richard Ross.
The Earlsmead Group of Companies.
Earlsmead House,
30, Drayton Park, N.5.

Change of climate

From The Communications Director, Oxfam.

Sir,—We fully endorse Gordon Tether's well-informed article (February 18) which was prompted by the publication of War on Want's "Profits of Doom."

There is, however, one aspect that I would like to expand upon: that Oxfam believes that there is a relationship between educational campaigns in the West concerned with a fairer deal for Third World countries and the movement which has been growing in Britain for us to limit our share of the world's resources. We agree that by making, among other things, simple gestures like the ones so frowned on by the War on Want researchers, people are helping to create a climate conducive to change.

Eating one hamburger less per day, or changing from a car to a bicycle, may not alter the world, but by making these adjustments in their own life-styles people are indicating an awareness of at least some of the excesses which dominate our own society and which reinforce the poverty of millions of people in the Third World. In effect, they are saying: "We are sick of the consumer society: enough is enough . . . . We want to be involved in working for radical change in the field of international affairs and we wish to reflect the objectives of those changes in our personal patterns of consumption." . .

We are convinced that more and more people are becoming aware of the fact that many of the resources of the world are finite and that everyone in it deserves a fairer share of them. To continue to consume them at our previous personal level is surely not acceptable if we are trying to secure much larger patterns of redistribution and sharing.

Malcolm Harper.
274, Banbury Road, Oxford.

Season ticket tax relief

From Mr. R. Hancock

Sir,—We have arrived at a situation unparalleled in the history of our railway system when the volume of passengers is declining because many people just cannot afford to pay the fares, and also there is a growing decline in freight traffic due mainly to inefficiency in delivering the goods and also the high cost of carriage.

For once the commuters and rail unions find themselves to be strange bed-fellows. At last the unions seems to have woken up the fact that there is a limit to the extent which the hard-pressed travelling public, including the commuters, can afford to pay the fares to subsidise the restrictive practices among employees and shortcomings in management.

Possibly also senior management in British Rail might also be becoming aware of this situation and which no doubt will be used as a weapon in the tug-of-war between British Rail and the Government over the possibility of providing some form of subsidy. In effect, however, the Government has a two-edged sword in this confrontation; in the first place by seeming to refrain from financial interest in the situation it is hoped that British Rail might streamline the organisation into a viable and profitable machine, which is wishful thinking.

Representatives of the Government have frequently said that commuters are the white-collared and non-sacred workers (no union) and also are capable of being squeezed still more without the Labour Government losing votes.

In the past two years rail fares have almost doubled, yet there is one solution to the really serious economic plight which is facing the commuters—the cost of a season ticket should be allowed by the Inland Revenue for tax purposes. If this were done, the loss in tax would be marginal and the need for subsidies from the Government would be removed.

Robin Hancock.
Middlefield Cottage, Fox Hill, Haywards Heath, Sussex.

Commuters complain

From Mr. J. Orchard.

Sir,—Liverpool Street and Fenchurch Street commuters subscribe to profitable British Rail lines yet they are to be penalised again to the extent of between 10 per cent. and 17½ per cent. in fare increases and a 20 per cent. cut in services. This will result in driving away many customers from a perfectly healthy sector.

Will someone in BR explain such a negative, shortsighted and anti-business policy?

Joseph S. Orchard.
One-Sixty Maltings Lane, Witham, Essex.

Danger in delay

From Mr. K. Nixon.

Sir,—Now that battle lines are clearly drawn on participation it would be a good idea to pause to decide what the fight is about. There are two distinct issues here: worker participation as a social-economic development; and individual involvement in the design of the work situation. Whatever the merits or demerits of worker participation at Board level one thing is perfectly clear: unless we combine to involve people creatively in the processes of change there will be no future for Britain in a world of accelerating technology.

Regardless of the economic order or whether a body is privately or publicly owned, only through individual creative effort is anything, good or bad, achieved. It could well be that to get people to apply their ideas and energy some degree of participation in end results will have to be agreed. After all it is unrealistic to expect the civil service, say, to co-operate to cut costs in the interests of the whole if their own interests are ignored.

The most serious issue of the day is not that people are excluded from high level policy-making but that they are ignored when it comes to change within their own work areas. Even many senior managers know that when the chips are down their net influence is negligible. In joining white-collar unions they are admitting it.

It is sterile to talk of the future of worker participation if the future is in doubt because we have failed to recognise the need to harmless individual ability. The danger lies in delaying what is fundamental to a changing technological age by lumping it in with an issue that is bound to generate long-winded dialogue however socially just it may be.

Kevin J. Nixon.
Main Street, Theddingworth, Lutterworth.

When you're smiling . . .

From Mr. J. Murphy.

Sir,—As part of a professional exercise on behalf of the Tie Manufacturers' Association, I have for the past six months been making a special study of the photographs of company chairmen in the Financial Times. Two outstanding facts have so far emerged:—

(a) Growing numbers are wearing wide, colourful ties in contrast with the starkly doleful models which used to be regarded as the symbol of solidity of character.

(b) Those chairmen who are shown wearing the more fashionable ties are invariably smiling, whereas those who still stick to the narrow, plain ties are invariably so sombre looking that one expects to read that they have trimmed the dividend.

The one sad feature I have particularly noted is that so few seem to know how to tie an appropriate knot. Instead of the wide, loose knot, such as the Windsor (half or full) or the Prince Albert, most stick to the style they learnt at prep. school.

John Murphy.
John Murphy Publicity.
53, Fleet Street, E.C.4.

To-day's Events

GENERAL

Provisional unemployment figures for February issued.

EEC Foreign Ministers end two-day meeting, Luxembourg.

M. Francois-Xavier Ortoli, president, European Communities Commission, meets President Ford, Washington.

EEC Council of Ministers on Research meets, Brussels.

Voting takes place in New Hampshire presidential primary election.

Mr. Leonid Brezhnev, First Secretary, Central Committee, Presidium of Supreme Soviet, gives keynote speech to Party's 25th Congress, Moscow.

President Sadat of Egypt ends four-day visit to Saudi Arabia and then tours other Gulf States.

Association of South East Asian Nations ends two-day summit, Bali.

Mr. Anthony Wedgwood Benn, Energy Secretary, addresses public meeting in Coventry North-West by-election campaign.

Junior doctors' representatives lobby MPs on retaining independent medical practice within NHS, House of Commons.

Greater London Council's Transport Committee meets and is expected to consider proposal that private office car parks be taxed.

PARLIAMENTARY BUSINESS

House of Commons: Debate on East-West relations.

House of Lords: Maplin Development Authority (Dissolution) Bill and National Coal Board (Finance) Bill, third readings. Trade Union and Labour Relations (Amendment) Bill, committee. Solicitors (Scotland) Bill, report stage. Shops (Sunday Trading) Bill, second reading.

COMPANY RESULTS

National Westminster Bank (full year).

Nottingham Manufacturing (full year).

Spirella Group full year).

COMPANY MEETINGS

Cronite, Solihull, 12.

Deanson, Birmingham, 12.

Record Ridgway, Sheffield, 12.

OPERA

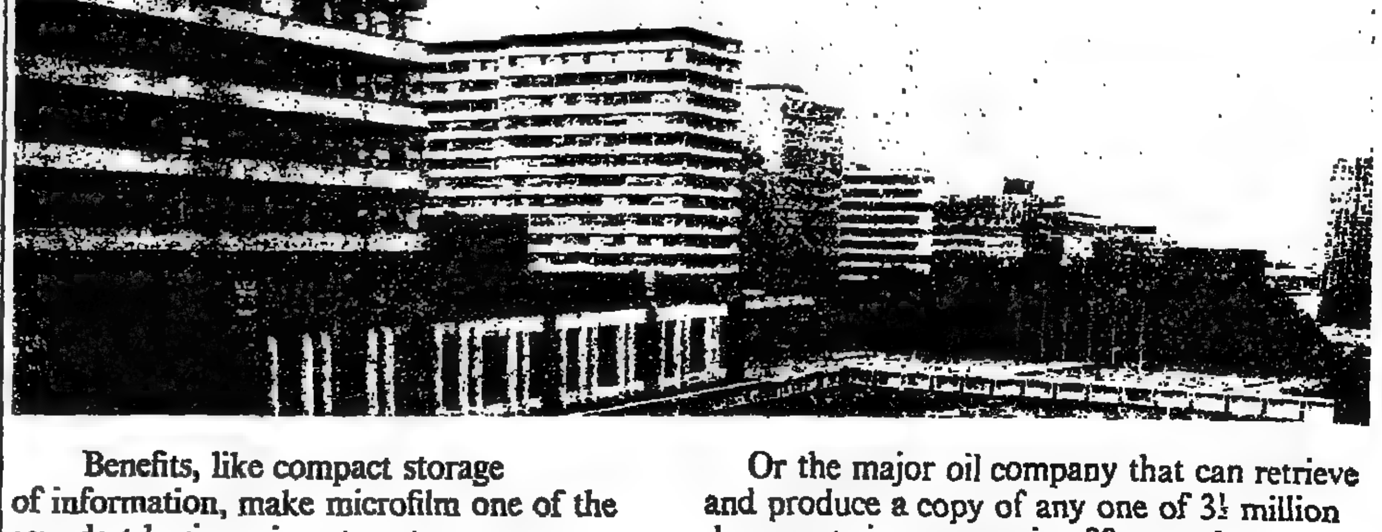
Royal Opera production of Pagliacci, Covent Garden, W.C.2, 7.30 p.m.

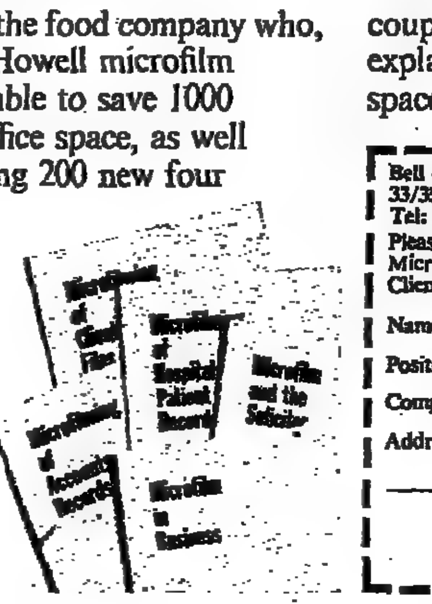
English National Opera perform The Valkyrie, Coliseum Theatre, W.C.2, 5.30 p.m.

MUSIC

London Philharmonic Orchestra, conductor Sir Georg Solti, with Peter Frankl (piano) play Mozart's piano concerto No. 23 in A, and Bruckner's symphony No. 8 in C minor, Royal Festival Hall, S.E.1, 8 p.m.

Albert Colombo gives piano recital of works by Busoni, Beethoven, Prokofiev, Smetana and Chopin, Purcell Room, S.E.1, 7.30 p.m.





COMPANY NEWS + COMMENT

Hoover recovers to £19.2m.: pays more

PROFITS OF household appliances group, Hoover, continued to recover in the fourth quarter of 1975 with a pre-tax balance of £4.57m., against a loss of £3.39m., giving a total up from the depressed £4.93m. for 1974 to £19.19m. The 1973 figure was £21.3m.

The depth of the recession varied considerably and the pattern of recovery is different in each country, the directors state. But they are hopeful of a continually improving situation through 1976. Exports from the U.K. expanded from £23m. to £29.6m.

Stated earnings per 25p share were 46p compared to 6p last year—the 1974 results were severely affected by the three day working in the first quarter and industrial disputes towards the end of the year. A final dividend of 6.53p lifts the net total from 11.35p to 12.07p.

Group turnover increased by 43 per cent. to £162.87m. Most of the traditional U.K. market share was recovered and for the first time over 1m. cleaners were sold in a year in the home market.

Sales in the U.K. were abnormally boosted in April and May by the pre-announcement of the increase in VAT. Once dealer stocks were replenished, a lower level of sales resulted with a further deterioration in the late autumn. The trend was, however, checked by the December announcement of the reduction in hire purchase deposits and the extension of the minimum repayment period, the directors report.

	1975 £000	1974 £000
Group turnover	162,869	113,517
Profit before tax*	19,189	4,928
Foreign tax	1,581	2,220
U.K. tax	5,150	644
Hoover (Holland)	301	937
Total tax†	10,021	3,721
Net profit	9,168	1,204
From reserves‡	494	1,000
Attributable	9,662	2,213
Preference div.	9	23
Ordinary	2,596	2,246

*Includes 50 per cent. of share of Hoover (Holland) group £335,000 (£1,243,000). † U.K. tax includes prior years' adjustments £167,000. Overseas is after overprovision of £103,000. ‡ Released by Hoover (Holland).

See Lex

INDEX TO COMPANY HIGHLIGHTS

Yorkgreen Investment deficit

Gross income of Yorkgreen Investment Trust decreased from £66,019 to £16,007 in the half year to October 31, 1975, and there was a net deficit of £8,867, against £6,048 revenue. For the year to April 30, 1974 there was a loss of £5,260, compared with a pre-tax profit of £32,345, after providing £26,167 (nil) bad debts provision.

The deficit per 10p share for the six months is shown at 0.18p (earnings 0.25p).

The holding in Automated Security Holdings has recently been disposed of at cost price (£80,000 approximately). That investment was not yielding income and the proceeds of sale have been used to reduce borrowings and therefore interest charges, which had a material effect (£13,073) on the loss for the half year, members are told.

The reduction in interest charges combined with income anticipated in the second half should ensure a small profit is made for the year, the directors state.

Efforts to reduce bank borrowings, down from £261,000 at April 30 to approximately £90,000 at the date of interim report, have continued.

Net assets per share at end October are shown at 4.4p compared with 4.9p at end April 1975.

● comment

The sad story of Yorkgreen Investment makes sobering reading at this stage of the bull market. It was launched a few days after the last bull market peaked out in June, 1972, when it raised nearly £1.5m.: Samuel Montague underwrote the offer, and Simon and Coates were the brokers. The trust was managed by a subsidiary of Heenan Spark and went after special situations with "above average prospects of capital appreciation." Having achieved the unusual distinction of a fall in net assets during 1975, shareholders' funds now amount to £220,000. To add insult to injury, the company's standards of disclosure have been absolutely inadequate. The accounts may be scanned in vain for details of where the money has been lost.

Baring Brothers improves

PROFITS of merchant bankers Baring Brothers and Co., improved from £314,441 to £530,000 in 1975, after tax and after providing for any diminution in the value of assets and making transfers to reserves.

The reserve has been increased to £12.5m. by a transfer of £1m. (nil) from profit and loss and £2.5m. from inner reserves.

Dividends on Preference and Ordinary shares absorb £285,873 (same). The carry-forward is £149,193 (£1,005,068). The Baring Foundation, registered as a charity, is the ultimate holding company.

Total assets advanced from £264m. to £276.48m.

	1975 £	1974 £
ASSETS:—		
Cash, etc.	81,308,402	73,806,882
Bills recv. etc.	19,787,944	22,339,548
Term deposits	50,491,728	61,827,468
Securities	4,208,074	4,127,396
Advances, etc.	67,348,739	83,922,046
Trade invest.	6,643,214	6,539,962
Subsidiaries	6,340,406	7,634,420
Liabs. on accepts.	34,146,325	34,383,579
LIABILITIES:		
Share capital	5,878,000	5,330,000
Reserve	12,500,000	9,000,000
Profit and loss	149,193	1,005,068
Current, dep., etc.	124,652,461	137,322,437
Term deposits	99,344,127	76,292,338
Due holding Co.	143,736	86,908
Dividends	159,000	189,000
Acceptances	34,146,325	34,383,579
Balance sht. totals	276,478,342	264,001,321

A contribution of £13,050 was made to the Tory party and £10,000 to Britain in Europe. Meeting, 88, Leadenhall Street, E.C., March 17 at 12.30 p.m.

Anglo-Welsh Investment

After all charges, including tax of £63,539 compared with £86,399, Anglo-Welsh Investment Trust (Continuation) shows a decline in profits from £109,110 to £88,112 for the year to January 1, 1976.

Turnover for the year slipped from £232,155 to £185,027. Earnings per 50p share are shown to be down from 1.7p to 1.23p. A final dividend of 0.65p net makes a total of 1p (1.37p including a bonus of 0.495p).

Net asset value per share was 61.3p (55p) after allowing for full conversion of Preference stock.

J. Randall £1.3m. after 12 months

HIGHER INVESTMENT income and profit on sale of investments helped keep toy manufacturers J. and L. Randall ahead for the 12 months to September 30, 1975, with the company reporting group pre-tax profit of £1.3m. compared with £1.27m. last time.

An interim dividend, in lieu of a final, of 1.720225p net is declared for the 15-month period to December 31, 1975, the new year-end. In the 12 months to September 30, 1974, a dividend of 1.289569p was paid.

For the 12-month period, trading profit declined from £803,006 to £630,450 after being down from £322,981 to £211,060 after six months. Profit on sale of investments was £125,871 (loss £43,346).

Audited results for the 15 months to December 31, 1975, will be announced in May.

	12 months 1974-75 £	1973-74 £
Pre-tax profit	1,302,317	1,273,171
Trading profit	630,450	803,006
Rents	241,738	225,894
Investment income	223,004	149,546
Interest received	81,238	138,071
Profit sale investm.	125,871	†43,346
Tax	594,122	665,000
Net profit	708,195	608,171

† Loss.

● comment

J. and L. Randall's 12 months' figures do not compare very well with other recent results from the toy sector. Whereas Airfix, Spear and Mettoy all recorded significant growth in their latest figures, Randall is showing a 22 per cent. drop in trading profits for the first twelve months of its 15 months accounting period. This must partly reflect the fact that the figures include the 1974 Christmas period, which was a particularly tough one for the whole industry. However, the company also appears to have suffered a significant loss of market share, perhaps to those competitors with leading product brand names. The group is trying to build up a strong investment portfolio as a hedge against problems on the toy side (this is now worth around £8.6m. against £3.16m. in the last accounts) and its liquidity position is strong with cash and loans by the company currently totalling around £2m.—against £564,000 in September 1974. Despite this, though, the market still appears to be valuing it purely as a toy company and the shares, which at 37p are yielding 7½ per cent. on a 12 months p/e of 6.7 (excluding profit on sale of investments), is still displaying some understandable caution.

St. Andrew Trust

Gross revenue for 1975 of the St. Andrew Trust slipped from £831,438 to £802,856, and, after virtually unchanged tax of £300,391 compared with £299,078, earnings per 25p share are shown to be down from 3.74p to 3.46p.

A final dividend of 2.05p net lifts the total payment from 3.25p to 3.3p.

The net asset value per share is shown at 122.5p against 75.5p.

Bond Worth tops £1m. halfway

RESULTS of carpet, etc., makers Bond Worth Holdings for the half year ended December 27, 1975, are in line with forecast. Profits before tax were up from £845,000 to £1.03m.

A second interim dividend of 1.87p net per 25p share is declared. This includes 0.08125p overpaid in the 1974-75 total, and designated as a first interim for this year. Total for 1974-75 was 3.65625p paid from profits of some £0.5m.

	Half year 1975 £000	1974 £000
Turnover	46,162	40,866
Operating profit	2,520	2,327
Depreciation	290	258
Trading profit	2,230	2,069
Finance charges	1,197	1,224
Profit before tax	1,033	845
Taxation	78	37
Minority loss	19	*4
Net profit	994	812
Available	1,013	808

* Profit.

● comment

A modest 7.7 per cent. increase in trading profits, with a bare 2 per cent. fall in interest charges, has made all the difference to pre-tax profits for Bond Worth. These were well up to the December forecast with a 22 per cent. rise on a sales increase of just 13 per cent. The improvement is most marked against last year's second half (when a pre-tax loss of £347,000 was recorded) and this is largely attributable to recovery from the reorganisation set backs in Australia and at Meredew Furniture. The current half should also produce profits to match the interim figure although there is unlikely to be much opportunity to reduce gearing. Borrowings are still only minimally lower than last year, when they were more than 1½ times shareholder's funds of £9.2m. But with negligible tax liabilities probably stretching far into next year, there should be no serious threat to cash flow. A maximum total dividend would give the shares at 35½p a yield of 11½ per cent.

Statement Page 21

Footwear Investments progress

FIRST HALF external sales of Footwear Industry Investments increased by 19.6 per cent. to £4.34m., and pre-tax profit advanced by 15.9 per cent. to £358,000. But for the cut-back in production at N. S. Footwear the results would have been even better, says the chairman, Mr. M. Sumray.

It is very difficult to anticipate trading conditions over the next few months, but in view of the group's continued good liquidity and its strength in it various activities, the chairman says he is "confident that we shall be able to ride any immediate economic storms."

The interim dividend is lifted from 1.05 to 1.15p per 10p share from stated earnings of 4.24p against 4.3p for the half year. The total for the year to May 31, 1975 was 3.24884p from profits of £618,000—earnings 9.6p.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
External sales	4,336	3,625	7,670
Profit before tax	338	309	628
Taxation	166	161	339
Net profit	172	148	289

Mr. and Mrs. Sumray have again waived most of their entitlement to the interim dividend on their 1.2m. share reducing the cost by £13,731 to £33,068.

● comment

Though Footwear Industry Investments' figures for turnover and profits are ahead by nearly 20 and 16 per cent. respectively, the group has seen little underlying advance in trading. Sales are about the same in volume terms, while loss elimination at NS Footwear—which turned in a loss of £46,000 in the comparable period—accounts for virtually all the pre-tax gain. Meanwhile the current six months is not looking any more encouraging. FFI reports that retail outlets are talking of poor trading, and this is bound to work back to FFI's own operations in due course. What this means for profits it is impossible to tell as yet, but the 55 per cent. of business which goes to Marks and Spencer may provide a cushion against a destocking phase by retailers. Anyway, the maximum prospective yield of 12.1 per cent. at 46p is already covered by interim earnings, and the p/e on the past 12 months' profits is no more than 6, while cash balances amount to some 10p to 12p per share.

Flag midway setback

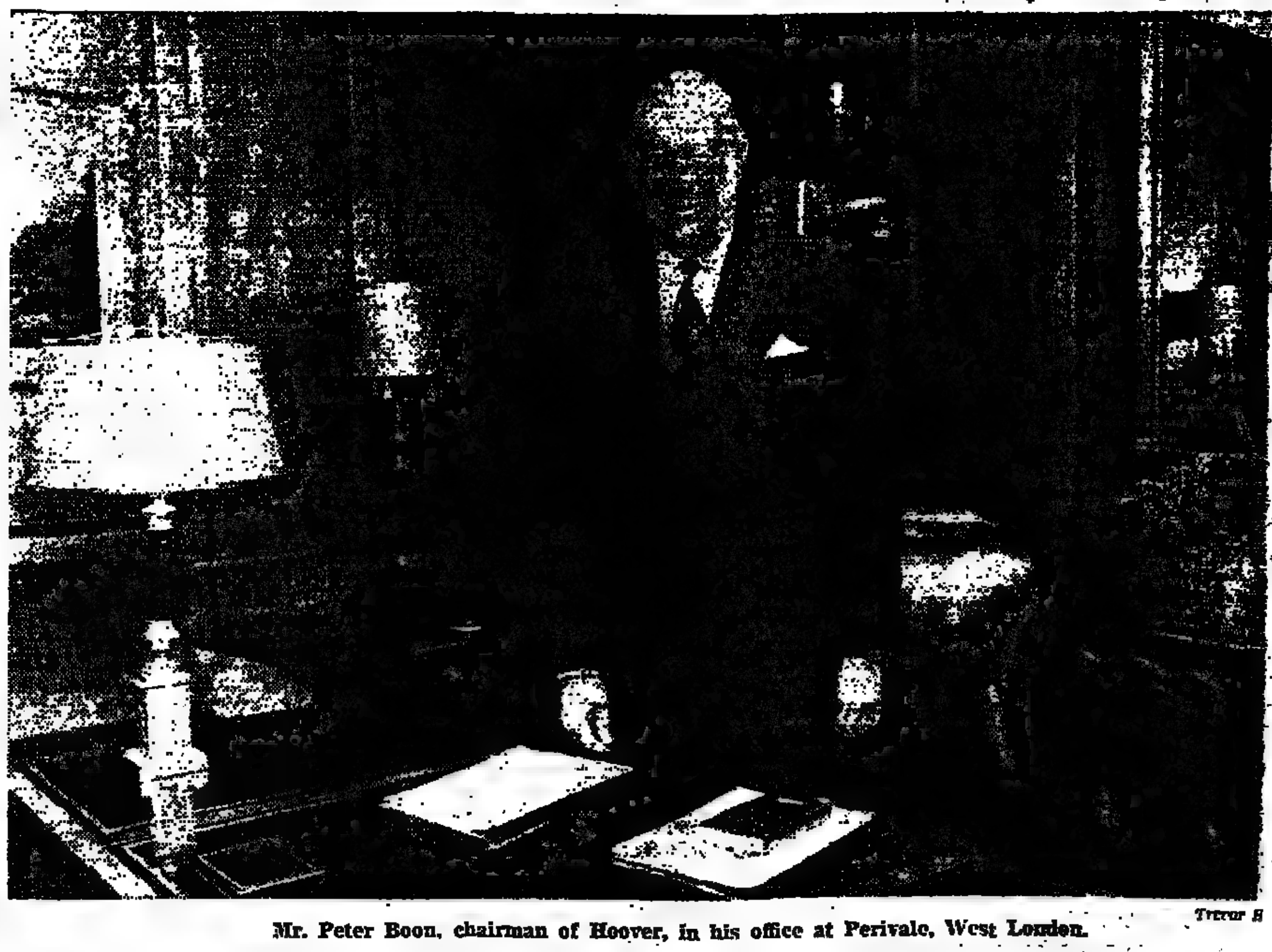
From lower gross revenue of £399,427 against £618,405 pre-tax profits of Flag Investment fell from £376,261 to £234,427 in the six months to September 30, 1975. Tax takes £112,439 compared with £185,688.

Earnings per 25p share are shown to have fallen from 2.06p to 1.32p. Net asset value per share was 84.74p compared with 68.77p.

The ultimate holding company is Generale Occidentale.

GENERAL RADIO

To be in line with the parent company General Radio Company (U.S.), which changed its name to GenRad Inc. with effect from January 1, 1976, General Radio Co. (U.K.), of Bourne End, Bucks, will become GenRad Ltd. effective March 1. A similar change of name will become effective in all other European subsidiaries on the same date.



Mr. Peter Boon, chairman of Hoover, in his office at Perivale, West London. Trevor B

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo-Welsh Inv. Tst.	0.65	—	0.53	1	1.37(d)
Drayton Commercial	2.39	April 1	2.04	3.7	3.35
Footwear Invests. ...int.	1.16	May 14	1.05	—	3.25
Hoover	6.53	—	5.64	12.07	11.35
J. & L. Randall	1.72(a)	April 5	1.29	1.72	1.29
St. Andrews Trust	2.05	April 12	2	3.3	3.25
Vickers Australia	10(b)	April 26	—	15	10
Bond Worth ...int.	1.87(c)	July 26	1.62	—	3.66

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 15 months. (b) Australian cents throughout. (c) Includes 0.08125p carried from 1974-75. Dividend for that year was overpaid by that amount. (d) Includes bonus of 0.495p.

Anglo Continental growth

GROUP PROFIT, before tax, of Anglo-Continental Investment and Finance Company increased from £1.49m. to £1.97m. in the half year to September 30, 1975.

For all the year to March 31, 1975, there was a profit of £2.8m. The company is controlled by Generale Occidentale, SA.

	Half year 1975 £000	1974 £000
Operating profit	1,141	[illegible]
Share associates	2,413	2,091
Interest charges	1,318	1,964
Overheads	269	318
Pre-tax profit	1,967	1,481
Taxation	969	1,030
Extraordinary credits	56	658
Minorities	302	247
Attributable	732	196

See Lex

Argyle Securities

ON A TURNOVER of £9.56m., against £11.38m., Argyle Securities incurred a reduced pre-tax loss of £234,000, against £450,000, for the six months to September 30, 1975.

As before there is no interim dividend—no payment was made for the year to March 31, 1975 when there was a pre-tax profit of £493,000.

The loss per 25p share for the half-year is shown at 1.7p (3.39p) before extraordinary items, and 0.04p (earnings 0.79p) after such credits. Anglo-Continental Investment and Finance has a substantial holding in the company.

	Half-year 1975 £000	1974 £000
Turnover	9,560	11,578
Interest payable	1,814	2,623
Share losses assoc.	30	*417
Overheads	646	684
Net rent income	1,105	1,373
Profit sale dealing props.	641	806
Other profit	99	294
Interest receivable	232	264
Pre-tax loss	234	450
Taxation	86	285
Net loss	319	735
Extraordinary credits	377	948

* Profit.

See Lex

Electronic Machine settlement

Mr. Max Welling, the former chairman and managing director of Electronic Machine, is to pay sums "of the order of £200,000" under an amicable settlement reached with the company on matters in dispute between them. This amount includes £65,007 paid by Mr. Welling in July 1974.

Announcing this, with its results for the six months to October 31, 1975, which show profits down by more than two-thirds to £31,000, against £98,000, pre-tax, the Board says that "as a result each party has withdrawn any allegations made against the other." The sum to be received from Mr. Welling, equal to 8p per Ordinary share, will initially reduce group borrowings and will be used to further development of the business.

Consideration of payment of a dividend is being delayed until results for the year to April 30 are available. A dividend of 2.49p a share was paid for 1974-75.

Last September, the company said that, on the basis of investigations carried out by its auditors and Deloitte and Co., and legal advice, it was of the opinion that it had a valid claim against Mr. Welling for the recovery of sums totalling, with interest, of the order of £250,000. This was before taking into account the payment of £65,007 made by Mr. Welling in July 1974.

Mr. Welling, for his part, disputed the claim and said he was preparing his own claim against the company for a substantial sum. The company yesterday expressed gratification that the matter had now been concluded to the satisfaction of the Board, as advised by its legal advisers.

The company continues to trade profitably in line with the plans detailed in the chairman's statement last year. New investment projects announced at the annual meeting are proceeding satisfactorily and further news about them is anticipated in the very near future.

	Six months 1975 £000	1974 £000	Year 1974-75 £000
Group turnover	791	811	1,610
Profit	31	98	146
Taxation	16	51	85
Extraord. items	—	—	20
Net balance	15	47	42
Dividend	—	—	29

Figures are after providing for investigation costs for the period and corporation tax.

Statement Page 10

Mackinnon Scotland optimistic

The current order books at Mackinnon of Scotland provides the directors with good reason to expect that 1976 will be a year of substantially greater activity, and chairman, Mr. K. H. Mackinnon says he is optimistic about the short-term as well as the long-term future of the company.

He points out that costs continue to rise and there is little room left for improving the company's already high standards of "efficiency and productivity," but with completion of the recent development programme, the company is very much better placed to take advantage of the upturn in trade of which there is now evidence, both at home and abroad. Any such increase should make it easier to absorb and contain rising costs.

This recently completed phase in long-term plans for development and modernisation was timely, declares Mr. Mackinnon, and was achieved at a reasonable capital cost.

The directors can look forward with renewed and increased confidence, he adds.

As already reported a turnround from a loss of £60,805 to a pre-tax profit of £05,582 was achieved in the year to October 31, 1975 and the dividend is raised from 0.25p to 0.75p net. The company is "close."

Meeting, Coatbridge on March 18 at 11 a.m.

New plan from Target

Target Life Assurance has introduced a new single premium contract offering investors a high guaranteed return for life. Called the Target Guaranteed Income Warrants, it aims at increasing spendable income by deferring tax payments on part of that income until death or encashment.

The yield on the contract depends on the sex and age of the investor, varying for men from almost 9 per cent. at age 45 to 12 per cent. at age 85—the return for women is slightly less up to age 75.

Amount paid on death or early encashment is linked to the price of War Loan 3½ per cent. If this remains unchanged, the death benefit is 95 per cent. of the outlay and the cash-in value 90 per cent.

RESULTS AND ACCOUNTS IN BRIEF

CENTRAL PROVINCES CEYLON TEA HOLDINGS—Audits of accounts for company and two U.K. subsidiaries for year to June 30, 1975, are nearing completion but Board is waiting for accounts of Sri Lanka subsidiary. Its audit is in progress and Board hopes to publish provisional figures of results by end April.

COLNE VALLEY WATER COMPANY—Profit for 1975 £1,255,838 (£511,277) after tax £446,040 (£345,872). Dividends at maximum rates declared on ordinary stock.

ESSEX WATER COMPANY—Operating surplus for 1975 £3.65m. (£2.63m.). Surplus before tax £1.86m. (£0.78m.). Tax £659,000 (£444,000) leaving £1.2m. (£340,000). Dividends £1.21m. (£0.9m.). Fixed assets £42.62m. (£40.37m.). Capital employed £45.54m. (£43.02m.). Meeting, St. Ermine's Hotel, S.W., on March 16, at noon.

M AND G FAR EASTERN AND GENERAL FUND—Interest on Income units. 0.25p net (0.147p) payable April 10.

UNITED SCIENTIFIC HOLDINGS—Results, year ended September 30, 1975, reported December 19, with forecast of over £1m. profit for current year. Group fixed assets £1.23m. (£0.88m.) current assets £3.89m. (£3.13m.) and liabilities £3.80m. (£2.57m.). Increase in liquid funds £1.23m. (£0.15m.). Meeting, Howard Hotel, Temple Place, W.C., March 18, at 12.15 p.m.

Golden Hope first half profit down

BASED ON an estimate for the full year, proportioned for the six months, first half (to November 30) pre-tax profits of Golden Hope Plantations show a fall from £3,779,000 to £2,859,000, with the net balance down 23.89 per cent. at £1,453,000.

For all the year to May 31, 1975, taxable profits totalled £7,025,340, and the net figure was £3,167,797.

No account is taken of the results of associates, except to the extent of dividends receivable—figures for the year 1974-75 have been adjusted accordingly.

All items of turnover and local estate costs have been converted at M$5.23 to £1, the average rate up to the date of preparation of the interim report. For the final annual accounts, overseas revenue transactions will be converted at the average rate for the year. Fixed and net current assets will be converted at the rate ruling at the company's year-end.

Produce proceeds have been based on sales and receipts to date and valuation of unsold balance, and replanting expenditure has been charged on an estimated day-to-day accrual basis.

Taxation has been arbitrarily assessed. U.K. ACT been ignored for the purpose of the estimates.

Crops harvested for the eight months to January 31, 1976, were: rubber 9,535,329 (9,483,303) kg., palm oil 30,947 (28,679) long tons, palm kernels 6,719 (6,187) long tons, copra 4,161 (4,369) long tons and cocoa 1,913 (1,447) long tons.

Net average prices realised on sales advised to January 31, were: rubber 8,548,265 kg. at 29.48p (25.64p for all 1974-75 crops), palm oil 27,859 long tons at £177 (£221), palm kernels 5,877 long tons at £88 (£123), copra 3,349 long tons at £110 (£182), and cocoa 1,303 long tons at £545 (£577).

	6 months 1975 £000	1974 £000
Net proceeds of produce	7,619	8,773
Trading surplus	2,768	3,702
Other income	374	293
Making	3,142	3,997
Replanting expd.	[illegible]	208
[illegible]	2,859	3,779
Taxation	1,406	1,870
Net profit	1,453	1,909

● comment

Golden Hope may emerge from 1975-76 with something like £6m. pre-tax taking in an arbitrary £0.3m. for the associates—and in that event the dividend should go up for a yield of 8.2 per cent. at 53½p. Sterling's weakness has been some cushion to the dov interim profits, and du half GH should start to g the improved rubber pi stands currently at 41½ against the 25½p realised age by GH for 1974-75), main impact of the rubl together with the recer by the Malaysian autho production restrictions, next year's story. Mean shares yield a tenth more average industrial share.

Selukwe Gold Board

Selukwe Gold Mining ance has received a n under section 140 of panies Act 1948 by Llo City Office Nominees, nominee for Estates Hou ment Trust and Estat Securities, of the inte propose at the AGM t otherwise prescribed ir meeting, the maximum of directors shall be se

It will also be propo Mr. W. H. Harrison-Cr Mr. W. G. N. Millar be directors

ISSUE NEWS

MITCHELL SC

The full document is to-day in connection rights issue by Mitchel on the basis of one-fo 19p each. The docume that on January 31, t had outstanding unsecu drafts of £561,380, a sl loan of £13,550 and a l secured loan of £90,000.

An EGM is called for to increase the authoris to £2m. in order to give of flexibility after the planning future growth l acquisition.

The directors have forecast profits of not £1.35m. (£1.18m.) and dividend of 1.96923p for the year to April 3,

ALLIED INVESTMENTS

Allied Investments pr convert the outstandin Deferred Convertible Re shares into Ordinary sh

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MINING NEWS

BH South shuts copper mine

BY KENNETH MARSTON, MINING EDITOR

STILL taking a gloomy view of the outlook for copper, BH South is to close down its open-pit copper mine at Kanmantoo in South Australia. The easily minable ore is to be worked for a while but ore production is expected to terminate before June 30 when the mine will be placed on a care and maintenance basis.

BH South points out that continuing losses are being incurred at Kanmantoo. The mine has been hit by last year's sharp rise in costs (principally in wages and imposts), depressed prices for copper and the strength of the Australian dollar.

Furthermore, the company comments on a continued rise in domestic costs and an uncertain Australian economic outlook for this year. It sees "no signs which would indicate an uplift in demand and a return to higher copper prices in 1976 (when expressed in Australian dollar proceeds) and it may be well into 1977 before substantial recovery occurs."

Despite its other interests, BH South made a loss of $2.1m. (£1.3m.) in the year to last June. Results for the past half-year are due in a month or so. Shareholders in Kanmantoo, apart from BH South with 51 per cent., include Electrolytic Zinc 19½ per cent., North Broken Hill 19½ per cent., and Canada's Ravenrock Investments with 10 per cent. Shares of BH South were 172p yesterday.

DIAMANG SEEKS DEAL WITH MPLA

From Lisbon, Reuter reports that the Diamond Company of Angola (Diamang) has begun negotiations with the Angolan Government which are aimed at handing over Diamang's concession rights there. The diamond mining concession covers the north-eastern quarter of Angola along the border with Zaire. Diamang produced 1.96m. carats in 1974.

Last year, however, production fell by 60 per cent. and the fall has reached 85 per cent. in recent months with the result that the company is running at a "tremendous and permanent loss," according to the chairman Mr. Carlos Abecassis. He said that Diamang would like to remain as a "contractor-partner" to operate the diamond mines on the Angolan Government's behalf.

A major problem has been the increase in illicit mining and the smuggling of diamonds by refugees who fled from the territory last year. Mr. Abecassis said that the Communist MPLA was anxious not to give the impression that it wanted to nationalise the company and he believed that a profit-sharing agreement could soon be reached.

De Beers is understood to have an interest of less than 1 per cent. in Diamang, although the former's Central Selling Organisation has been handling the sales of Angolan diamonds along with those of other world producers. Major shareholders in Diamang include the Portuguese Government and the State of Angola; the latter used to receive half the profits.

Falconbridge profit crunch

EARNINGS of Canada's Falconbridge Nickel have come down with a crunch, the 1975 total being $3.22m. (£1.6m.) equal to 65 cents (32.4p) per share compared with $29.98m., or $6.05 per share, in 1974. Despite higher average prices received for the company's nickel and cobalt last year, sales of nickel dropped by 31 per cent. while those of copper were 25 per cent. down.

Also coming into the depressing picture were inflation, strike and production curtailment costs plus a reduced interest income. It is thus little wonder that Ontario Government granted Falconbridge a reprieve from last year's ill-thought decision to disallow foreign processing costs in assessing mining taxes.

The company processes its Canadian nickel ore at the Kristiansand refinery in Norway. Its loss-making nickel-iron pellet refinery in Ontario was closed down in 1973, a move which led to a book value writing-down of $64.9m. But the plant is to be re-opened under a deal with America's Allis-Chalmers and National Steel to convert iron oxide pellets into metallised iron pellets.

Although there is not much sign at the moment of any increase in demand for nickel and copper,

Although there is not much sign at the moment of any increase in demand for nickel and copper, the prices of these metals have been starting to move upwards and the hope is that Falconbridge earnings will improve this year in line with the expected recovery in world economies. At least this is what the current Toronto price of Falconbridge shares is saying at its current level of around $33¾, not far short of the 1975-76 high.

MINE FIGHT AT LORAINE

Five African miners were killed and about 20 others were injured in fighting on Sunday night at the Anglo-Transvaal group's Loraine gold mine in South Africa. The disturbance involved men from Rhodesia and Mozambique.

Yesterday morning some 1,000 miners, mostly Rhodesian, refused to go underground for fear of reprisals. An inquiry is being conducted into the reasons for the unrest. Loraine shares lost 5p to 110p yesterday.

MINING BRIEFS

MOUNT ISA MINES—Production for January 19 to February 12: Lead ore treated 187,730 tonnes, produced 10,506 tonnes crude lead and 18,646 tonnes zinc concentrates. Copper ore treated 326,667 tonnes, produced 11,049 tonnes blister copper.

Appeal to banish 'myths' about sex equality law

THE REAL AIMS of the Sex Discrimination Act may become hidden unless the "mythology" around it is checked, according to Lady Howe, deputy chairman of the Equal Opportunities Commission.

The Act was "not trying to turn men into women or vice versa," she told a management conference in London yesterday. "The sole objective is to see that individuals—not persons, please—are treated as individuals, being judged on their individual merits and abilities instead of by their sex."

It was not trying to interfere with employers' legitimate freedom—for example, to employ a man in preference to a woman if the man was genuinely better suited for a job.

It is for us to remind employers that two workers in every five are women and that it is only fair and sensible that these talents should be used to the full extent for the sake of the nation as well as for the individuals concerned.

It is for us to encourage employers to consider the employment needs of married women.

"If they are to form the growing part of the available workforce, flexi-hours, part-time jobs, refresher training courses—these are all as much in the interests of an individual employer as they are of the women who will take advantage of them."

COATED METALS EXTENSION

The contested offer for Coated Metals by C. Walker and Sons has been extended until March 12 next. Acceptances have been received in respect of 232,550 Ordinary shares (20.29 per cent.) while, in addition, 20,000 (1.74 per cent.) were held prior to January 5, 1976.

ASSOCIATES DEALS

Cazenove on Friday bought 2,500 Coated Metals at 130p for a discretionary investment client.

A. J. Bekhor bought 5,000 Highgate Optical at 37p on behalf of Bayfine Investments, a wholly owned subsidiary of Bayfine.

Hoare and Co. Govett last Thursday sold 2,000 Inchcape at 395p and on Friday sold 5,000 at 396p average on behalf of an associate of Inchcape.

BIDS AND DEALS

Bid coming for Dares

A 65 PER CENT. holding in Dares Estates, a building and property development company in which Mr. William Stern's interests once accounted for the same percentage of the equity, has been acquired by Mr. P. D. Jackson, Mr. D. Sidi, their family trusts, Mr. J. R. Morley and Mr. R. Herbert-Smith.

Mr. Morley and Mr. Herbert-Smith are directors of the company whose shares were suspended in May 1974 on the news of liquidity problems within Stern Holdings. The price at suspension was 12p.

The new holders of 4,208,416 shares paid 2p per Ordinary share and, under Takeover Code rules, will be required to make an offer on similar terms for the remaining shares. Documents in connection with this offer will be posted as soon as possible.

Mr. Jackson, Mr. Sidi, and Mr. E. Landau have been appointed to the Board. Mr. N. B. A. Bosworth, Mr. J. Dandy, and Mr. A. T. Mayne have agreed to resign.

The last results for Dares Estates, issued in July last year, showed a £419,145 loss for 1974, with extraordinary debits of £646,274 including a provision of £564,695 to reduce the book value of an investment property which had subsequently been sold.

A statement from the company yesterday confirmed intentions to continue the business of property investment and development and to apply for a re-listing as soon as possible.

GEI in Scotland

GEI INTERNATIONAL, the specialist engineering group, has acquired the Scottish company of Andrew Denholm, baking equipment manufacturers, and its subsidiary, Cox Ovenbuilders for £325,000—£225,000 cash and 188,879 Ordinary shares.

Denholm's consolidated pre-tax profits for the year to September 30, 1975 were £102,000, and net assets, after a recent revaluation of buildings, amount to £330,000.

Mr. John Sewell, GEI group managing director, says "this acquisition marks further expansion into the baking, pharmaceutical and chemical industries, which the directors believe offer "considerable potential and promising growth prospects."

WESTON PHARMS.

Dixons Photographic has received acceptances to date in respect of 10m. Ordinary shares in Weston Pharmaceuticals, representing, together with 300,000 shares acquired prior to the offer, 73.09 per cent. of the issued Ordinary, including acceptances relating to 7.3m. (51.87 per cent.) in respect of which irrevocable undertakings to accept had been given.

The offer is now declared unconditional as to acceptances.

Acceptances of the cash alternative have been received in respect of 6.3m. Weston shares (45.13 per cent.) including 6.22m. (44.03 per cent.) in respect of which the irrevocable undertakings had been given.

Subject to the remaining conditions being satisfied the share alternative offer will remain open—the cash alternative closes at 3 p.m. to-morrow and will not be extended. The only conditions remaining to be fulfilled are approval by shareholders of Dixons at the extraordinary meeting on February 27 and admission to the Official List of the shares in Dixons to be allotted.

British Benzol director says 'wait'

The managing director of British Benzol Carbonising, Mr. H. Procter, having taken advice from merchant bankers County Bank, has told shareholders that the offer from Tranwood Group—first announced on December 4 last year—is not in the best interests of shareholders.

Mr. Procter is the only member of BB Board who is not also on the Board of Bank Bridge Securities (which owns over 41 per cent. of BB) and which is also under offer from Tranwood.

It is expected that documents relating to the offer for BB—which values each share at just under 28p against last night's unchanged closing price of 22p—will shortly be sent out to shareholders. Mr. Procter is advising shareholders to take no action.

White Child acquisition

White Child and Beney, the materials handling and plastics group, is acquiring the business of Sageway, manufacturers of supermarket checkout counters and display equipment, for an undisclosed sum. WC and B's commitment—the purchase price plus whatever cash is injected into the Sageway business—is expected to be in excess of £¼m.

Sageway, which operates a 60,000 square feet factory in South Wales, was not profitable prior to the acquisition, but the WC and B Board is confident it will rapidly revert to profits, "even from day one." A spokesman described the Sageway order book as good and the product range as "excellent."

Cost of the acquisition is expected to be funded out of WC and B's existing banking facilities.

ARMSTRONG EQUIPMENT

Armstrong Autoparts, a subsidiary of Armstrong Equipment, is to acquire H. E. Gleed, of Westbury, Wiltshire, for £45,802, satisfied by the allotment of 69,397 Ordinary shares.

The vendors have elected to take the total consideration in cash and shares have been placed with institutional investors. Net tangible assets of Gleed are £46,000.

BID FOR EMU WINE EXTENDED

Following the increase in the bid by Western Australian Worsted and Woollen Mills for Emu Wine Holdings, it has been extended to March 12. Acceptances have been received in respect of 9,504 stock units—the revised terms will apply to these.

SHARE STAKES

Charles Wade and Co.-Derby and Co. has purchased a further 15,000 "B" Ordinary and now holds 645,000 Ordinary and 5.23m. "B" shares, which represents 69.1 per cent. of the equity.

Suntory now holds 864,642 Ordinary shares in Glenlivet Distillers (11.17 per cent.).

Czarnikow Group has purchased 5,000 Ordinary of Bandanga Holdings and is now interested in 115,000 shares (11.015 per cent.).

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p***	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
50c	F.P.	—	640	416	Ang. Am. Coal Corp. 50c	420	+5	31Q48c	2.2	4.0	—
U.S.$	F.P.	—	$12¼	$12	Brazil Fund S.A.	$12	......	—	—	—	—
$10,500	F.P.	—	$10,500	$10,500	Brasilvest S.A.	$10,500	......	—	—	—	—
—	F.P.	—	£43	£22¾	Hughes Tool $1	£35⅝	−⅞	Q40c	—	0.2	—
10	F.P.	—	205	157	LASMO 'OPS' Units 10p	175	+5	—	—	—	—
10	F.P.	—	205	157	SCOT 'OPS' Units 10p	175	+5	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price £	+ or −
£100	F.P.	—	100	99⅝	Agricultural Mort. 10⅝% Bds. 1977	100	——
‡‡£100	F.P.	7/4	104	95	Arbuthnot Lath. 8% Conv. Uns. 1986	104	——
‡‡£100	F.P.	19/3	134	128	Bowring (C.T.) 10% Conv. Uns. Loan 1987	131	+2
$100	—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99½	——
£98	F.P.	23/1	104½	98½	Essex Water 9% Red. Pref. 1981	101½xd	——
✣HK$100	55	26/6	121½	825p	Jardine Math. 7½% Conv. Uns. 1990	107½	——
£100	£30	—	32½	30	LASMO 14% Uns. Loan 81-83	30	——
$100	F.P.	—	99½	99½	Midland Bk. FloatCap. Notes 1983	$99½	——
$100¼	F.P.	—	101	99¾	Norway 8¼% $ Notes 1981	101	——
£100	—	16/2	109	98	Pentos 15% Conv. Uns. 1985	109	——
$100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9% Deb. 1981	$99½	——
£100	£30	—	32½	30	SCOT 14% Uns. Loan 81-83	30	——
$100	F.P.	—	99½	99½	Seagram 9% Notes 1983	$99½	——
✣50p	F.P.	17/11	50½p	45p	Single 10% Cum. Conv. Pref.	47½	——
‡‡£100	F.P.	20/2	129	110	Tenneco 10% Sterling $ Conv. 91-95	127½	+½

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	1975/6 High	1975/6 Low	Stock	Closing Price p***	+ or −
60	Nil	—	—	12	11	Allen (E) Balfour	12pm	——
10	F.P.	2/2	1/5	29	25½	Amber Day	25½	−1½
54	F.P.	4.2	26.3	76	65½	Armitage Shanks	68½	+2
50	F.P.	13/2	12/3	65	60½	Baker Perkins	65	+1
25	F.P.	11/12	3/3	148	95	Berisford (S & W)	146	+2
120	Nil	2/5	7/5	20	16½	Blackwood Hodge	16½pm	−½
28	Nil	—	—	7	5	Braham Millar	6pm	——
55	Nil	6/2	5/3	95	84	Brentnall Beard	88	+4
25	F.P.	17/2	24/3	28	25¾	Brown Boveri Kent	26	−1
75	Nil	27/2	26/3	22	15	Carpet Intnl	19½pm	+1
31	Nil	—	—	9	8	H.A.T. Group	8½pm	——
15	Nil	4/3	9/4	7¼	7¼	Jackson (J. & H. B.)	7¼pm	——
57	Nil	—	—	9	5	LCP Holdings	7pm	+2
50	F.P.	25/1	19/3	70	60½	Lake & Elliot	66	——
13	F.P.	13/2	16/3	23	18	Liner Concrete Machinery	19	——
57	Nil	3/3	20/7	10½	7	Lloyd (F.H.)	8½pm	+1½
54	Nil	—	—	17	12¾	Meyer (Mont. L.)	16½pm	——
$1.60	F.P.	30/1	13/2	302	270	Nat. Bank of Aust.	280	——
110	F.P.	23/2	19/3	145	139	Ocean Transport	128	——
64	F.P.	24/2	25/5	91	82½	Stenhouse Hldgs.	89	+4
80	Nil	25/2	24/3	12	9	Strong & Fisher	9pm	——
42	Nil	—	—	10	9	Tecalemit	9½pm	——
10	F.P.	6/2	2/4	14	12¼	Tomkins (F.H.)	12½	——
103	Nil	27/2	9/4	33	22	Wolseley-Hughes	24pm	——

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. *** Pence unless otherwise indicated. g Forecast dividend; cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

COMPANY NEWS

Hirst Mallinson cautious

LOOKING AT prospects of the Hirst and Mallinson group, chairman Mr. D. Hargreaves says only Northern Pharmaceuticals has a reasonable operating environment, and in the circumstances it is sensible to be cautious.

In the short term the current economic situation gives cause for concern, but "our financial strength is considerable, our controls are tight and we shall take whatever profit opportunities arise."

Mr. Hargreaves says the textile recession is the deepest since the war and will not bottom out before mid-year, and both the catering trade and the removals business are flat in the U.K.

In the first half of the current year profit will be down on the corresponding period of 1975, but the group is increasing its selling efforts abroad in an attempt to counter the effects of the extremely depressed state of the home markets.

The planned growth of exports was an important factor in attaining the record result for the year ended November 1, 1975. They rose by 27 per cent. and it is intended to build on this success in the current year.

As reported on February 3, profit for 1974-75 was £0.56m. (£0.43m.) and the dividend is 1.48p (1.39p). Had results of the Staines Group been included for a whole year, distribution profits would have exceeded those from textiles. It is intended to continue the development of the distribution activities.

Net current assets increased by over 25 per cent. after taking account of the £95,100 of loan notes repaid in December, 1975. Net cash balances, after providing for the purchase of Staines, were £705,700. Assets per share have risen from 38p to 40p.

At February 16, Bankers Trust U.K. (Holdings) owned 14.89 per cent. of the Hirst and Mallinson equity. Meeting, Huddersfield, March 18 at 11.30 a.m.

Temple Bar dividend forecast

Unless circumstances alter materially, the total dividend of Temple Bar Investment Trust in the current year should not be less than for 1975, the chairman, Mr. A. F. Roger, tells members.

For 1975, the total net payout is 3p, (against 4.5p) including a final of 3.7p, out of net earnings, already reported, of £353,449 (£338,037).

It is intended to increase the interim to about 2p to reduce the disparity between the two payments, Mr. Roger says.

After "going liquid" in 1974, Temple went back into the market last year, investing nearly £700,000 more than was realised on sale of investments, states the chairman.

With the recovery of the stock markets, net assets per 25p share increased from 65p to 135p, or by 107 per cent., by the year-end.

On a CPP basis, 1975 net earnings are shown at £393,000 (£466,000 for 1974) while earnings per share would rise from the historical basis of 5.639p (5.382p) to 6.269p (7.423p).

As at February 9, Telephone and General Trust was interested in £452,875 or 30 per cent. of the Ordinary capital and in £131,080 or 34 per cent. of the Preferred.

Chairman's Statement, Page 20

Drayton Commercial pays 3.7p

A FINAL dividend of 2.3875p by Drayton Commercial Investment lifts the total for 1975 from 3.35p to 3.7p net per 25p share.

Revenue improved £193,000 to £1.67m. After tax £678,000 (£598,000), the net balance came out at £996,000 (£883,000).

	1975 £	1974 £
Revenue before tax	1,673,673	1,480,532
Taxation	677,911	597,772
Net revenue	995,962	883,000
Pref. dividends	40,512	40,512
Ordinary	852,273	771,123
Retained	103,177	71,425
Reserve	1,886,930	1,783,753

Allowing for conversion of the loan stock and taking debenture and Preference stocks at nominal values, net asset value at Dec. 31 was 149p, against 91p a year earlier. No provision has been made for the surrender of 25 per cent. of the investment currency premium.

Perkin-Elmer midterm setback

On turnover down from £4m. to £3.47m., profit of Perkin-Elmer fell £130,000 to £348,786 for the six months to December 31, 1975, subject to tax of £181,358 compared with £249,216.

The net interim dividend per £1 share is lifted from 3.8p to 5p. For the year to June 30, 1975, profit, after foreign exchange loss of £51,810, was £1.17m.—a record.

In his last annual report, the chairman, Mr. C. W. Nimitz, said that, as the company entered the current year with only a modest backlog, it was more dependent on obtaining new orders to achieve its shipment plan.

New instruments to be introduced should make a significant impact on order volume, particularly in the third quarter, he added.

The company, which manufactures and sells scientific analytical instruments, is a 97.3 per cent. owned subsidiary of Perkin-Elmer Corporation of the U.S.

PELDAYNE

The directors of Peldayne Holdings (property investments) have called an extra-ordinary meeting for March 15 to consider proposals to change the company's name to Carrington Investments, and to consolidate the existing 10p Ordinary shares into shares of 50p each.

COMPANY NEWS

'Imps' limits spending to £44m. this year

IN THE current year, the Imperial Group plans to spend some £44m. on capital account, for replacements and additional fixed capital requirements.

This is not as much as the directors would have wished, stresses the chairman, Mr. J. D. Pile, but present thinking is that "this is a prudent figure" in current circumstances.

Last year the group spent £35m. net, paying attention to projects designed to maintain current levels of business, to reinforce those parts of the undertaking which are vital for continued *prosperity, and to ensure no fall* in the quality of products.

Some of the projects included the factory being built in Scotland for the production of substitute tobacco, a new papermaking machine in Lancashire, the enlargement of the poultry interests in the U.S. and further beer production facilities in the Bristol area.

Mr. Pile says there are no immediate plans for selling the remainder of the holding in British American Tobacco, the market value of which is some £150m. "We shall keep it under review but in the meantime we are satisfied that it remains a good investment."

On the current year, the chairman reports that it has opened reasonably satisfactorily compared with 1975, and total volume of group business is being well sustained. The tobacco division has maintained its market shares but the volume of trading in the U.K. is not currently on the increase.

There are some grounds for encouragement in the paper, board, packing and plastics division. The food side is producing satisfactory results but its trawling interests are still depressed, while in the brewery division there has been a slight advance in beer sales but wines and spirits remain a weak market.

As reported on February 11, in a full preliminary statement, group sales in the year ended October 31, 1975, reached £2.35bn. (£1.88bn.) and profits before tax came out at £106.8m. (£73.5m.). The dividend is 4.608p (4.318p).

On deferred taxation, the directors state that the continuing need to invest in fixed assets and stocks and the prospect that some degree of inflation will increase the cost of such items means that provision for deferred tax (£66.4m. on the accounts) will expand steadily over the years under the present accounting treatment.

This treatment requires deferred tax to be shown as a liability. However, they cannot foresee the need to have recourse to the whole amount or even the majority of the funds that are *being accumulated. The result is* that the balance-sheet is becoming increasingly distorted as time goes on.

The directors are of the view that the time is now ripe for a reappraisal of this whole subject by those concerned.

The company is saving a total of some £63,000 this year by printing the annual report on much thinner paper, thereby cutting paper and postage costs, and by not sending out individual copies of the chairman's address at the annual meeting. Salient points will be advertised in the Press, but individual copies can be obtained on request.

Meeting, Dorchester, Park Lane, W., March 23, at noon. Mr. C. B. Berry and Mr. H. S. Swallow are not seeking re-election to the Board.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:— Lyuton Holdings, Rosgill Holdings.

Finals:— London City and Westcliff Properties, National Westminster Bank, Nottingham Manufacturing, Spirella Group, West Coast and Texas Regional Investment Trust.

FUTURE DATES

Interims:—

Austin (F) (Leyton)	Mar. 2
Beazer (C.H.)	Mar. 1
Black Arrow	Mar. 3
Downing (G.H.)	Mar. 9
Homfray	Mar. 4
Laganvale Estate	Feb. 27
London Shop Property Trust	Feb. 26
Martin (R.P.)	Mar. 4
Reliance Knitwear	Feb. 27
South West Africa	Mar. 18

Finals:—

BCA	Mar. 3
Bibby (J)	Mar. 18
Brighton and Hove Stadium	*Feb. 25
Gedong Investments	Feb. 25
Liverpool Daily Post and Echo	Mar. 24
Rentokil	Feb. 27
River and Mercantile Trust	Feb. 26
River Plate and Gen. Inv. Tst.	Feb. 26
Squirrel Horn	Feb. 25
Watmoughs	Mar. 23

* Amended.

Horlicks pushes up profit

FROM SALES £3.48m. higher at £13.15m., Horlicks has increased its profit from £2.12m. to £2.78m. in the year ended March 31, 1975.

Net attributable figure came to £1m. against £0.65m., and earnings were 17.7p compared with 11.4p per 25p share.

At the year end, short term deposits and cash totalled £803,000 (£357,000) and overdrafts stood at £108,000 (£340,000).

Commitments for capital expenditure were £148,000 (£420,000), and further authorisations came to £30,000.

Horlicks is a food product manufactured within the Beecham Group.

Angus Milling downturn

On a turnover up from £3.61m. to £4.17m., trading profit of Angus Milling (Holdings) fell from £146,013 to £126,431 for the half year to November 30, 1975, subject to charges of £96,744, against £97,391.

There is a loss arising from the discontinuance of the business of a subsidiary of £12,465 (nil).

Pre-tax profit for the year to March 31, 1975, was £126,170 after interest of £131,323.

The business is that of agricultural merchants, millers and oat flake manufacturers, fuel oil distributors, etc.

BEESTON FOUNDRY

The directors of Beeston Foundry Holdings expect to publish the results for the year to May 3, 1975 before the end of March. The delay is largely attributable to accounting problems which have held up finalisation of the audit of a subsidiary.

Cable Trust policy of full investment

MR. A. F. ROGER, Governor of Cable Trust, is confident of at least maintaining for 1976 the rate of total dividend of 4.6p net, now recommended for 1975.

He adds that the directors feel the time has come to reduce the disparity between interim and final payments and have decided that, providing results justify, such payments they would increase the interim to 2p.

The directors' policy, says Mr. Roger, is to be fully invested both within the U.K. and internationally, but to allow sufficient flexibility to be able to cope with *future developments.* With such flexibility in mind they have under review the possibility of borrowing foreign currency, probably U.S. dollars.

As reported on February 11 group net earnings for 1975 expanded by £453,326 to £4,127,182, or from 4.644p to 5.217p per 25p stock unit. On a CPP basis net earnings fell *from* £5.08m. to £4.61m. and earnings per unit from 6.417p to 5.825p.

The increase in earnings was held back by restrictions on increases in dividend payments and by the investment of liquid resources at December 31, 1974 in equities with the consequent decline in income as high rates of interest were replaced by *lower levels of dividends.*

On February 11 the company and Globe Investment Trust offered for sale to the public in equal proportions an aggregate of 12.5m. Ordinary units of 25p in Electra Investment Trust at 87p each. The directors consider the company's holding in Electra (following the offer) of 18.2m. Ordinary units (37.22 per cent.) *is held as a long term investment.*

Meeting, Electra House on March 17 at 12.15 p.m.

Governor's statement Page 21

P & O Group formation

Sea Oil Services, a member of *the P & O Group, and Sparrows* Contract Services, a subsidiary of Sparrows International Crane Hire, have set up a joint venture, Sea Oil-Sparrow, to handle modules and other heavy fabrications.

The new organisation offers a comprehensive world-wide service relating to the handling and movement of modules and other heavy *loads allied to the oil,* petro-chemical and construction industries.

Head office of Sea Oil-Sparrow is at 17-18, Dover Street, London, W.1 (01-409 2008).

CRAIGTON

The directors of Craigton Combined Securities state that the auditors expect to complete work on the accounts for the year to March, 1975, by the middle of next week, so that copies should be posted to deb holders within a week after that. The company is a member of the Freshwater Group.

Utd. Glass second half recovery

AFTER BEING behind from £2.62m. to £1.65m. at midway, and forecasting pre-tax profits for all 1975 "appreciably lower" than those of 1974 United Glass reports that a second half upturn has resulted in a profit improvement from £5.51m. to £5.66m. for the year.

Although sales volume for the year as a whole was lower than in the previous year there was a marked recovery in demand in the latter part of 1975, in contrast with the low level reported at the half year.

	1975 £000	1974 £000
Turnover	87,235	72,232
Pre-tax profits	5,660	5,510
Tax	3,001	2,781
Net profit	2,659	2,729
Extraordinary debit	34	*135

*Credit

The company is jointly owned by Distillers and Owens-Illinois.

Recovery at Ruberoid—£0.5m. venture

The expectation that trading results of Ruberoid for the year 1975 would show a profit has been realised, say the directors in giving details of a new investment project.

Profits will be announced in April and a *final* dividend declared. A net interim of 0.35p per 25p share, against 0.7p, has already been paid—last year's net final was 1.177p.

The profit forecast was made last September when a first half pre-tax loss of £331,000 (£265,000 profit) was reported after providing £195,000 (£253,000) for deferred profits on uncompleted contracts. For all 1974 profits were £504,718.

The new project is a £0.5m. plant to produce glass tissue of improved quality, at lower cost, for roofing materials, flooring, wall covering and pipe protection.

The company has secured the manufacturing rights for the plant, which will be the first of its type to be introduced in this country — licensing rights in certain territories have a[...] obtained. Arrangement[...] been made for 50 per cent [...] put for the first two [...] operation to be exported. [...] production potential will [...] 60m. square metres, equiv[...] about £2.4m. in sales, [...] are told.

Negotiations are abou[...] concluded for a long-te[...] from a City institution f[...] the proceeds of which [...] utilised to finance the pro[...] to redeem the £465,000 6 [...] debenture in December, [...] due date.

Mr. Thomas Kenny, c[...] said yesterday the proj[...] mised to have "far re[...] effects on Ruberoid's p[...] An upturn in European [...] for building products was [...] for 1976, when the ne[...] would start production, [...] the U.K. it was anticipa[...] improved glass base w[...] *replacing* both asbestos a[...] paper felt for roofings [...] increasing scale, Mr. Kenn[...]

£0.4m. ris[...] for IDV

IN THE year ended Se[...] 30, 1975, International [...] and Vintners increased [...] from £9.27m. to £9.69m.

This was struck after depreciation and exc[...] debits, but substantially [...] interest charges.

IDV is a subsidiary o[...] Metropolitan.

	1974 £0[...]
Operating profit	31.[...]
Depreciation	2.[...]
Exceptional debits	2.[...]
Interest paid	6.[...]
Associates	[...]
Profit before tax	9.[...]
Taxation	4.[...]
Net profit	4.[...]
Extraordinary debits	2.[...]

Vickers Australia

After depreciation of [...] against $647,000 and [...] $1,767,000 compared [...] $1,281,000 net revenue of [...] Australia finished 1975 [...] $1,585,000 to $2,404,000. [...] sales advanced from $34[...] $47.91m.

The dividend total is lift[...] 10 cents to 15 cents with [...] of 10 cents.

LEYLAND PAIN[...]

The directors of Leylan[...] and Wallpaper announce [...] re-financing proposals, se[...] a circular to holders in [...] have been approved by [...] holders, at an EGM.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various *currencies on February 16, 1976. In some cases* rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territor[...] Scheduled Territory; (o) official rate; [...] rate; (T) tourist rate; (n.c.) non-com[...] rate; (n.a.) not available; (A) approxim[...] no direct quotation available; (sg) selli[...] (bg) buying rate; (nom.) nominal; [...] exchange certificate rate; (P) based [...] dollar parities and going sterling-dolla[...] (Bk) bankers' rate; (Bas) basic rate [...] commercial rate; (cn) convertible rat[...] financial rate.

Sharp fluctuations have been seen in the foreign exchange market. Rates [...] table below are not in all cases closing r[...] the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	342(sg)
Afghanistan	Afghani	114(A)
Albania	Lek	(O)10.10(A) (T)25.25(A)
Algeria	Dinar	(A)8.05(sg)
Andorra	French Franc	9.08¾
	Spanish peseta	134.35
Angola	Angola Escudo	56.00
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(fn)145.70† (exp)172.67
Australia (S)	Australian $	1.8985
Austria	Schilling	37.00
Azores	Portug. Escudo	56.00
Bahamas (S)	Ba. Dollar	2.0328
Bangladesh (S)	Taka	29.95(sg)
Bahrein (S)	Dinar	0.797
Balearic Is.	Spa. Peseta	134.35
Barbados (S)	Barbados $	4.05985
Belgium	B. Franc	(cm)79.15 (fn)81.35
Belize	B$	4.8
Bermuda (S)	Bda. $	2.025
Bhutan	Indian Rupee	18.698
Bolivia	Bolivian Peso	40.5
Botswana (S)	S. A. Rand	1.7608
Brazil	Cruzeiro	19.02
Br Solmn Is (S)	Australian $	1.8085
Br Virgin Is (S)	U.S. $	2.025
Brunei (S)	Brunei $	5.025
Bulgaria	Lev	1.9810
Burma	Kyat	(A)15.80(sg)
Burundi	Burundi Franc	159.58
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	453⅜
Canada	Canadian $	2.003
Canary Is.	Spanish Peseta	134.35
Cape Verde Is	Cape V Escudo	56.00
Cayman Is. (S)	Cay. I. $	1.68398
Cent. Af. Rp.	C.F.A. Franc	455⅛
Chad	C.F.A. Franc	453⅜
Chile	C. Peso	(Bk) 29.87
China	Renminbi Yuan	3.9439
Colombia	C. Peso	(F) 67.67
Comoro I'ds	C.F.A. Franc	455⅜
Congo (B'lle)	C.F.A. Franc	453⅜
Costa Rica	Colon	17.416
Cuba	Cuban Peso	1.5771
Cyprus (S)	Cyprus £	0.801
Czechoslov'ka	Koruna	(com) 11.90 (n/c) 25.68 (T) 20.78
Dahomey	C.F.A. Franc	453⅜
Denmark	Danish Krone	12.42
Dominica (S)	E. Carribbean $	4.80
Domin. Rep.	Dominican Peso	2.0280
Ecuador	Sucre	(O)50.5822 (F)59.42
Egypt	Egyptian £	0.79 (T)1.20
Ethiopia	Ethiopian $	(P) 4.1966
Eq'l Guinea	Peseta	134.35
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	12.42
Fiji Is. (S)	Fiji $	1.74455
Finland	Markka	7.75½
France	French Franc	9.08¾
Fr. C'ty in Af◆	C.F.A. Franc	455⅜
Fr. Guiana	Local Franc	9.08¾
Fr. Pac. Is.	C.F.P. Franc	164.86
Gabon	C.F.A. Franc	455⅜
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	6(A)

Place and Local Unit		Value of £ Sterling
Germany West	Deutschemark	5.18¼
Ghana (S)	Cedi	2.35
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.8055
Greece	Drachma	71.1405
Greenland	Danish Kroner	12.42
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	9.08¾
Guam	U.S. $	2.025
Guatemala	Quetzal	2.025
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.1751
Haiti	Gourde	10.125
Honduras Rep	Lempira	4.07
Hong Kong (S)	H.K. $	10.1075
Hungary	Forint	(com.) 35.42 (ac)(T) 41.71
Iceland (S)	I. Krona	345.60
India (S)	Ind. Rupee	18.0520
Indonesia	Rupiah	840.576
Iran	Rial	(A) 140
Iraq	Iraq Dinar	0.597
Irish Rep K.	Irish £	1.00
Israel	Israel £	14.9408
Italy	Lira	1,600½
Ivory Coast	C.F.A. Franc	453⅜
Jamaica S	Jamaica Dollar	1.84265
Japan	Yen	613
Jordan S.	Jdn. Dinar	0.660(sg)
Kenya (S)	Ken. Shilling	16.75385
Korea (N'th)	Won	n.a. (g)
Korea (S'th)	Won	981.55
Kuwait (S)	Kuwait Dinar	[illegible]
Laos	Kip	n.a.
Lebanon	Lebanese £	4.925
Lesotho	S. African Rand	1.7609
Liberia	Liberian $	2.025
Libya	Libyan Dinar	(P)0.5985
Liecht'nstn	Swiss Franc	5.18½
Luxembourg	Lux Franc	79.15
Macao	Pataca	12.7325
Madeira	Portug'se Escudo	56.00
Malagasy Rp.	MG Franc	453⅜
Malawi (S)	Kwacha	1.8217
Malaysia (S)	Malaysian $	5.208
Maldive Is. (S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	906¾
Malta (S)	Maltese £	0.8254
Martinique	Local Franc	9.08¾
Mauritania	Ouguiya	◆
Mauritius (S)	M Rupee	15.55
Mexico	Mexican Peso	25.29
Miquelon	C.F.A. Franc	453⅜
Monaco	French Franc	9.08¾
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Monserrat	E Caribbean	4.80
Morocco	Dirham	8.52(sg)
Mozambique	Moz. Escudo	56.00
Nauru Is.	Aust. Dollar	1.8085
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	5.40½
Neth. Ant'les.	Antillian Guild	3.62475
New Hebrides	Franc	148.545
	Austl. Dollar	1.8085
N. Zealand (S)	N.Z. Dollar	1.9349
Nicaragua	Cordoba	14.22
Niger Rp.	C.F.A. Franc	[illegible]
Nigeria (S)	Naira	1.2553(sg)
Norway	Nrwg. Krone	11.17¾
Oman Sultanate of (S)	Rial Omani	0.702
Pakistan	Pkst. Rupee	19.70(sg)
Panama	Balboa	2.025
Panama Canal Zone	U.S. $	2.025
Papua N.G. (S)	Kina	‡1.8091

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	
Peru	Sol	
Philippines	Ph. Peso	
Pitcairn Is. (S)	£ Sterling / New Zealand $	
Poland	Zloty	
Portugal	Pgse Escudo	
Port Timor	Timor Escudo	
Principe Isle.	♥♥	
Puerto Rico	U.S. $	
Qatar (S)	Qatar Ryal	
Reunion Ile de la	French Franc	
Rhodesia	Pound ●●	
Roumania	Leu	
Rwanda	Rwanda Franc	
St. Christopher (S)	E. Caribbean $	
St. Helena (S)	£ Sterling	
St. Lucia (S)	E. Caribbean $	
St. Pierre	C.F.A. Franc	
St. Vincent (S)	E. Caribbean $	
Salvador El	Colon	
Samoa (Am)	U.S. $	
San Marino	Italian Lira	
Sao Tome	♥♥	
Saudi Arabia	Ryal	
Senegal	C.F.A. Franc	
Seychelles	S. Rupee	
Sierra Le'ne (S)	Leone	
Singapore (S)	Singapore $	
Somali Rep.	Som Shilling	
Sth. Africa (S)	Rand	
S. W. Africa Territories (S)	S. A. Rand	
Spain	Peseta	
Span. Ports in North Africa	Peseta	
Sri Lanka (S)	S. L. Rupee	
Sudan Rp.	Sudan £	
Surinam	S. Guilder	
Swaziland (S)	Lilangeni	
Sweden	S Krona	
Switzerland	Swiss Franc	
Syria	Syria £	
Taiwan	New Taiwan $	
Tanzania (S)	Tan. Shilling	
Thailand	Baht	
Togo Rp.	C.F.A. Franc	
Tonga Is. (S)	Pa'anga	
Trinidad (S)	Trin. & Tobago	
Tunisia	Tunisian Dinar	
Turkey	Turkish Lira	
Turks & C's	U.S. $	
Uganda (S)	Ug. Shilling	
Utd. States	U.S. Dollar	
Uruguay	Uruguay Peso	
Un'n A'b Emis	U.A.E. Dirham	
U.S.S.R.	Rouble	
Upper Volta	C.F.A. Franc	
Vatican	Italian Lira	
Venezuela	Bolivar	
Vietnam (N'th)	Dong	
Vietnam (S'th)	Piastre	
Virgin Is. U.S.	U.S. Dollar	
Western Samoa (S)	Samoan Tala	
Yemen	Ryal	
Yugoslavia	New Y Dinar	
Zaire Rp.	Zaire	
Zambia (S)	Kwacha	

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.2638 Rh. dollars to £1.

◆ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rate; oil and iron exports 3.5050.

(g) The Mongolian tugrik has lately been reported at an official commercial rate of 0.225 Russian [...] the North Vietnamese dong at 0.396 roubles, and Korean won at 0.7493 roubles. With the pound at 1.56 roubles, the following relationships [...] calculated for the pound: £1=6.89 tugriks, £1=5[...] £1=2.07 won.

♥♥ Information not available for this edition.
* Rate is the Transfer market (controlled).
** Rate now based on 2 Barbados $ to the doll[...]
† Freight Ins. and Charges 204.42. Free Purcha[...]
‡ Australian dollar remains in circulation.
‡ Now one official rate.
(h) Following devaluation.

Printemps hypermarket losses

By Rupert Cornwell

PARIS, Feb. 23.

THE PRINTEMPS store chain, one of the largest in France, to-day reported a rise of almost 5 per cent. in turnover last year, but warned that losses on the hyper-market side will push the group into deficit for 1975.

President M. Jean Vigneras emphasised that if the hyper-market interests are excluded, Printemps's accounts were almost in balance, a considerably better performance than might have been expected at mid year. The group had taken all measures possible to ensure that results for 1976 were in the black.

Sales at parent company level rose 14.1 per cent. in 1975. For the group as a whole, including not only Printemps but the Prisunic supermarket chain and the Euromarché hypermarkets, the gain was 14.9 per cent. to Frs.12.5bn. (£1.35bn.).

The main problem as outlined in a letter to shareholders seemed to be centred on the hypermarkets — thanks to the heavy financial charges which have followed their launching—and on stores situated outside town centres.

Branches in the regional commercial centres which are now very much a part of the French retailing scene, tend to be too large for the number of clients they are likely to attract. The heavy rents and local taxes were not justified by the amount of business generated.

M. Vigneras however went out of his way to stress that city centre stores—and in particular the original and celebrated Au Printemps in the Boulevard Haussmann — were profitable, despite rumours to the contrary. The upshot is that, despite the group's final losses overall, cash flow will have been positive. M. Vigneras echoes the familiar lament of French industry when he says that price controls operated by the Government prevent the Group from passing on the higher costs it has to bear. Personnel costs also rose steeply in 1975 to 16.2 per cent. of sales (1974: 15.4 per cent.).

Fagersta rights offer highlights control issue

BY WILLIAM DULLFORCE

STOCKHOLM, Feb. 23.

A RIGHTS ISSUE proposed by the Board of Fagersta, the Swedish special steels and rock-drilling equipment manufacturer, has focused attention of a struggle for control of the company and will probably result in the National Pensions Fund acquiring close to 5 per cent. of the share capital.

The Fagersta Board reported a drop in pre-tax earnings from Kr.164m. to Kr.91m. (£1.03m.) in 1975 after a fall of Kr.100m. in sales to Kr.1.2bn. (£136m.). It proposed to maintain the dividend at Kr.8 per share, compared with Kr.6 plus a Kr.2 bonus for 1974, and to raise the equity by Kr.33.4m. (£3.8m.) to Kr.133.7m. through a rights issue of one B share for every three A or B shares at a price of Kr.120. Fagersta shares were quoted at Kr.220 on Friday.

The rights issue is supported by Industrivarden, an investment company linked to Svenska Handelsbanken and holding just over 26 per cent. of the equity. However, the Industrivarden management does not have the cash available to take up all its share of the new issue and feels Fagersta shares already loom large enough in its portfolio. Accordingly it is planning to sell 66,000 new B shares to the National Pensions Fund, whose purchase of private company holdings is still a controversial issue.

Trend Invest, an investment management company, which holds between 35 and 40 per cent. of the Fagersta equity and has been pushing up the price by its buying, would prefer the company to raise capital by selling its share, worth some Kr.400m. in the Krangede power works.

Trend Invest's holding consists mainly of B shares, carrying one vote each compared with three votes on the A shares. If the rights issue is made as proposed by the Fagersta Board, Industrivarden would retain control of close to 40 per cent. of the voting rights despite the sale to the National Pensions Fund.

Managing director Erik Nygren, in a recent interview, strongly opposed the sale of the Krangede holding, which would be tantamount to "stripping the company of its last piece of clothing." Since 1972 Fagersta has sold off a number of subsidiary operations in a thorough restructuring, which resulted in much improved figures in 1974 and the first dividend payment for two years. The company is currently undertaking an ambitious Kr.650m. (£74m.) investment programme.

The Kr.91m. pre-tax profit for 1975, which includes a Kr.69m. inventory gain, but does not include earnings estimated at roughly Kr.10m. from Fagersta's holding in Seco Tools, is in line with the half-way forecast of a Kr.30m.-Kr.50m. profit before inventory gains. In recent months demand for steel products has improved slightly and small price increases have been realised but the Board anticipates no appreciable improvement in earnings before the latter part of this year.

Net loss for UOP

Financial Times Reporter

UNITED OIL Products has announced a net loss for the fourth quarter of $39.9m., or $3.67 a share. Profits for the comparable period last year were $5m., or 50c a share. Final quarter sales were slightly up, at $186.1m., on turnover for the comparable period last year of $177.9m.

These results bring the net loss for the year to $34.9m. (or $3.2 a share) after sales of $615m. Last year, UOP generated profits of $27.7m. ($2.78 a share) on sales of $781m.

UOP was cited recently in a $189m. suit filed by Shaheen Natural Resources and two subsidiaries.

The suit is connected with the Shaheen Refinery at Come-By-Chance, Newfoundland. It alleges that UOP companies represented themselves as having expert knowledge in oil refinery design and construction, and that among other things they breached the construction contract.

UOP refers to its involvement in the project in the results. It is stated that net losses for 1975 include a reserve against guarantee obligations in connection with the Come-By-Chance Refinery.

Estimated pretax losses of $25.7m. from continuing operations are also included in the figures, resulting from a charge of $34.4m. due to the write-off of receivables.

Burns Philp completes sale of retail chain

BY JAMES FORTH

SYDNEY, Feb. 23

BURNS, PHILP, the diversified industrial conglomerate, has finally managed to complete the sale of its "Mates" retail chain, started in mid-1975. The last two of the 17 stores involved have been sold to a Victorian retailer, Charles Moore (Aust.) for $A2.1m. Burns Philp expects to realise $A28m. from the sales over the next five years.

Burns Philp decided to quit its "Mates" operation after 25 years when it began to run up losses.

The first sale announced was six stores to the New South Wales retailer, Winns. But this ran into strong opposition from Winthrop Investments, which launched a takeover offer for Winns. Winthrop succeeded in blocking the deal in the courts and the impasse was finally resolved when another retailer, Campbell's Corporation, bought control of Winns and several "Mates" stores.

Other stores were sold to J. B. Young Holdings and Waltons. In most of the deals, Burns Philp took cash, shares and debentures, retained the freehold of the stores, but granted options for their disposal.

Burns Philp incurred a loss of about $A1.9m. from the disposals but it is already showing a book profit of $A1.5m. on the shares obtained. Some of these shares have already been sold.

Burns Philp said reinvestment of the $A28m. released from the sale, together with elimination of trading losses from "Mates" would benefit the group. Cash flow this financial year from the sales would be $A4m.

The company has been moving to boost its liquidity in recent months through other disposals. Last week it sold 4m. shares it held in the major retailer G. J. Coles for $A5.5m.

The moves could suggest the group has a new investment in mind. Recent newspaper reports have suggested it is interesting in the 43.3 per cent. controlling interest in Robe River Limited, which property group Bond Corporation is negotiating to sell for $A25.6m. to the interests of iron ore magnate, Mr. Lang Hancock. Burns Philp is one of the original subscribers to Robe and owns 2m. shares, or 5 per cent. of the capital.

Pahang further clarifies agency deal

KUALA LUMPUR, Feb. 23

PAHANG CONSOLIDATED CO. repeated an assurance to the Kuala Lumpur stock exchange that none of its directors or those of the associated Faber Merlin group held any interest in a private company on behalf of which Pahang agreed in August 1974 to purchase shares of Faber Merlin Malaysia.

Pahang said that it entered the agency arrangement with Sungei Wan which itself was acting as agent for Bukit Ampat. Sungei Wan and Bukit Ampat were connected with each other through common directors on their boards, it said.

Press disclosure of the agreement and allegations that some Faber/Pahang directors were personally interested in Bukit Ampat led to the suspension of Faber Merlin and Pahang on the Kuala Lumpur and Singapore stock exchanges last week.

"None of the board of directors of the Pahang consolidated Co. Ltd., Faber Merlin Malaysia or its subsidiaries is the director of Sungei Wan and Bukit Ampat and has any interest whatsoever in shareholdings of Sungei Wan or Bukit Ampat," Pahang said in a letter to the exchange dated February 18 and published by the exchange to-day.

Osram sees improving results

BY ADRIAN DICKS

BONN, Feb. 23.

OSRAM, THE leading West German light bulb producer, to-day announced that it expects to pay no dividend for the third year in a row, but also held out the hope of improved final results for 1975.

The new Chairman of the company's management board, Herr H. Plettner, expressed confidence that the pre-tax operating profit will be in the region of DM7m. for 1975, as against a DM5m loss in 1974. But he also warned that it was not yet certain that the final result would be in the black after taking into account losses carried forward from last year.

Herr Plettner said that Osram, which has shown indifferent results for the past three years, was now once again in a position where it could expect to make profits within two years at the latest. As part of this process, he made clear, it will have to pursue considerably further the rationalisation steps already undertaken. Employment in Germany, where Osram has almost exactly 50 per cent. of the light bulb market, has already been reduced from 12,600 at the end of 1974 to 10,500 at the end of 1975. By the end of this year, further concentration of production work, as well as of sales personnel, will achieve savings of a further 1,000. World-wide, Osram hopes to reduce staff to about 19,000 by the end of this year.

The company's share of world-wide light-bulb sales now stands at about 10 per cent., while it has 25 per cent. of the market in Europe. Worldwide turnover rose by 1 per cent. in 1975 to reach DM956m.

Herr Plettner also announced to-day that Osram's results would in future be consolidated with those of Siemens, which bought 78.6 per cent. of Osram as part of its agreement last year with AEG. The remaining 21.4 per cent. continues to be held by General Electric of the U.S. consolidation of the results with those of the Siemens group would also show Osram's performance in a less favourable light.

Cautious line at Arbed and Cockerill

BY DAVID CURRY

BRUSSELS, Feb. 23.

THE LUXEMBOURG steel concern, Arbed, and Belgium's major steel maker, Cockerill, hav poured cold water on the idea that 1976 might see a rapid recovery from the depths of the 1975 recession.

Speaking to company workers, M. Emmanuel Tesch, Arbed President, admitted that the downward tendency had been arrested but noted that "the situation of being able to give evidence of an effective recovery of the economy." Taking as his theme the fact that the steel markets of the future would be subject particularly to competition between European and Japanese producers, he noted that Europe had been the hardest hit by the recession and the Benelux countries had been the most sorely afflicted part of Europe.

It was with this in mind, M. Tesch added, that Arbed had sought to enlarge its position outside its Luxembourg base by building up its stake in the Belgian steel-maker Sidmar, and by joining the new grouping of German, Dutch and Luxembourg mills. As far as internal policy was concerned, he saw the priorities as installing modern equipment, achieving significant returns from this equipment, and being able to offer a range of final goods for sale so as to ensure broad stability for the company.

The company had a disastrous year in 1975 with production down 27.2 per cent. over the 12 months and down 34.8 per cent. over the second half of the year. With prices down more than 30 per cent., the company ran up a loss of more than F.Lux.3bn. Although this drift had been halted, the new price levels were themselves unremunerative, while production costs were running 40 per cent. above 1974 levels.

The company's sales of finished products also suffered in 1975. The Trefil barbed wire and nuts and bolts operation saw production at 439,000 tonnes down to the 1968 level despite the acquisition of the German Karcher operation although turnover per tonne was 14 per cent. up thanks to the development of more sophisticated products. Investment in this sector was Frs.Lux.924m. against Frs.Lux. 707m. in 1974 and spending of Frs.Lux.545m. is foreseen for the current year. On the steel front investment for 1976 was put at Frs.Lux.3.2bn., almost exactly the average for the past six years, devoted largely to modernisation of plant in Luxembourg.

Cockerill, which last year suffered a 27 per cent. production drop to 4.858m. tonnes of steel, has found itself in a similar boat to Arbed with the addition of much more urgent cash needs. Its 1975 production was some 1.24m. tonnes lower than the previous 10 years' average. Like Arbed, much of its investment has been devoted to replacing the Thomes process with the oxygen process.

For 1976 the company notes "a certain optimism but a modest optimism" with the modesty due above all to the "timidity" of the American economic recovery.

Also like Arbed, its construction division has proved the bright spot, with Cockerill's order book, heavily geared towards nuclear engineering, full for several years.

New French nuclear group

By Robert Mauthner

PARIS, Feb. 23.

A NEW FRENCH nuclear group for the development of fast breeders and high temperature reactors has been created in anticipation of the Franco-German nuclear co-operation as agreed on by French President Giscard d'Estaing and Herr Helmut Schmidt, the West German chancellor, at their recent meeting in Nice.

A joint company called Novatome, in which Creusot-Loire's nuclear subsidiary Framatome will have a 40 per cent. stake, the Compagnie Generale de l'Electricite 30 per cent., and the French Atomic Energy Commission the remaining 30 per cent., will be responsible for the engineering work. Creusot-Loire's leadership on the engineering side has been balanced by CGE's leadership in the technical development of the new super-phenix fast breeder, which has been allocated to Neyrpic, part of the CGE-Alsthom Group.

Nitro Nobel moves into India

BY JOHN WALKER

STOCKHOLM, Feb. 23.

NITRO NOBEL, the manufacturer of explosives and allied products, is taking over the shares currently held by Dow Chemicals in the Indian concern IDL Chemicals. The deal is said to be worth Kr.10m. (£1.1m.) for the 40 per cent. shareholding in IDL Chemicals.

IDL's production last year amounted to 114m. fuses, making them the second largest producer in the world. Nitro's production of fuses last year amounted to 16m. The deal will give Nitro Nobel a good base for operations in the East Asian market, particularly as IDL is situated in Hyderabad and has some 2,500 employees.

The Swedish company, it is reported does not intend to acquire more shares in IDL Chemicals. Nitro Nobel's policy is to have licence agreements and some share ownership in foreign companies, rather than set up its own manufacturing facilities. During the past six months Nitro Nobel has formed consultancy companies in Switzerland and the U.K., as well as acquiring production facilities in Panama and has bought two small companies in Sweden.

Nitro Nobel's turnover for 1975 rose by 13 per cent. to Kr.253m. (£28m.). The pre-tax profit dropped to Kr.16.9m. compared with Kr.23.6m. in 1974. The net profit is Kr.3.1m. compared with Kr.2.1m. in 1974. The profit per share amounted to Kr.30 compared with Kr.27.

The Board proposes that the share capital should be increased from Kr.25m. to Kr.50m. by an issue of one new share for each old share at a price of Kr.100 per share. The Board proposes a dividend of Kr.9 per share plus a bonus of Kr.1 per share.

Adequate orders at HDW

THE SHIPBUILDING group Howaldtswerke-Deutsche Werft (HDW) has enough work at is Hamburg and Kiel yards until early 1978 despite the sharp fall in its order backlog to DM2.44bn. (DM3.7bn.) in the 1974/75 year ended September 30.

HDW, whose basic capital is DM140m. said its two shareholders, Salzgitter (74.9 per cent.) and the State of Schleswig-Holstein (25.1 per cent.) waived a dividend for the second consecutive year so that net profits, again undisclosed, will boost the capital base.

The company said its gross trading profits fell slightly to DM671.1 (DM675.3m.) in 1974/75 while turnover rose to DM1.62bn. (DM1.61bn.) and investments were unchanged at DM138m.

Coca-Cola Bottling airline and shipping deal

NEW YORK, Feb. 23.

COCA-COLA BOTTLING Company of New York said it agreed in principle to acquire Overseas National Airways and two ONA subsidiary companies.

Under terms of the arrangement, Coca-Cola Bottling would acquire all outstanding shares of ONA in exchange for 1,733,638 shares of its Common stock and $10,835,239 face value of 20-year subordinated debentures with an annual interest rate of 9 per cent. On the basis of the current value of Coca-Cola Bottling's Common stock the stock portion of the transaction would be valued at about $16.3m.

In addition, Coca-Cola Bottling would acquire all the outstanding stock of Dewta Queen Steamboat Company and Great Ocean Cruise Line, wholly owned subsidiary companies of ONA, in exchange for about 702,037 shares of New York Coke Common, valued at about $6.6m.

Coca-Cola Bottling is one of the largest soft-drink bottlers. It also owns three wine subsidiaries and a leisure-products subsidiary. ONA is a charter airline company.

AP-DJ

Maruzen sells oil storage plants to subsidiary

TOKYO, Feb. 23.

MARUZEN OIL plans to sell 66 storage plants, or about 50 per cent. of its storage facilities, to a subsidiary at the end of March to help reduce its accumulated deficit.

A spokesman for Maruzen Oil declined to disclose the price. The Nihon Keizai Shimbun, the financial daily, however estimated that Maruzen will receive about Y2.2bn. through the transaction because of a difference between book value and market price.

Last autumn, Mitsubishi Oil resorted to a similar transaction with its affiliates to raise funds. Then, the difference between book and market value totalled about Y15bn.

The Maruzen spokesman said the projected transaction will not be accompanied by an actual flow of money between the two firms because the subsidiary will rent the facilities to the parent firm. Maruzen's accumulated deficit totalled Y21.6bn. in September last year.

AP-DJ

Thai loan proceeds

The Thai Government has said that the proceeds of the $100m. loan it is planning to raise on the Euromarkets will be used to improve electricity generation, water supply and telecommunications, particularly outside Bangkok. However an equally important aim of the loan is to establish Thailand's credit in international banking and business circles. Officials fear that foreigners may see Thailand as a tottering domino in the path of Indochinese communism and that view does not help to promote the Government's campaign to attract foreign capital.

Economically, the loan is easy to justify. Although this year Thailand may have the first balance of payments deficit in a decade—due to a decline in world commodity prices, foreign investment and U.S. military aid—net foreign currency reserves still stand at over $90m.

The World Bank advised Thailand this year to seek between $400m. and $600m. in commercial loans over the life of the present five-year plan and reverse its traditional position of being a net creditor.

It is however as a political endorsement that the loan will have its clearest significance for Thailand's potential foreign investors.

The loan comes in the middle of the second Parliamentary election campaign within a year, and nine months after the withdrawal of American troops from neighbouring Indochinese countries. "This loan means we think Thailand is stable for the time being and that the Government probably won't change radically enough in the next five years to put it in jeopardy; we think the major banks that do business with Thailand will agree," Manufacturers Hanover's representative in Thailand comments.

Gerling price

A SWISS insurance company and a German consortium together will pay about DM170m. for a 5 per cent. share of the Gerling insurance group that they bought as part of a programme to compensate creditors of the collapsed Bankhaus I. D. Herstatt.

A spokesman for the 45-member German consortium said that several separate appraisals led to a final valuation of about DM333.5m. for the Gerling group as a whole.

The purchase took effect in January 1975, with both sides making a downpayment of DM50m., subject to later revision based on the appraisals.

The purpose of the sale was to help give Dr. Hans Gerling, owner of the Gerling group, enough cash to participate in the compensation of Herstatt creditors. Gerling held an 84 per cent. stake in Herstatt, which collapsed on June 26, 1974.

Kaufhof dividend

KAUFHOF expects to maintain its DM10 dividend for the sixth consecutive year. Probable 1975 group net profits around DM90m. (DM81m.) are foreshadowed.

Two-thirds of the profit will cover the dividend payment with the other DM30m. (DM21m.) boosting open reserves to DM493m., the company has stated in an interim report.

A spokesman added that parent company and group net profits for 1975 will again be identical at DM81m.

Group turnover in 1975 rose 8.7 per cent. to DM6.7bn. Parent company sales were 9.1 per cent. higher at DM5.2bn.

SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103¾	104¾
Ashland 8pc 1987	95	96
Australwias 8pc 1987	93	94
Borregaard 8½pc 1989	97	98
Broken Hill 10pc 1990	104½	105½
Carrier 8pc 1987	93½	94½
Conoco 8pc 1986	99½	100½
Consd. Foods 7¾pc 1991	91½	92½
Cutler Hammer 8pc 1987	95	96
EIB 9¾pc 1985	102¾	103¾
ERAP 9¾pc 1985	102¾	103¾
Esso 8pc 1986 Nov.	101½	102½
General Cable 8½pc 1987	91½	92½
General Motors 8½pc 1980	103½	104½
Granges 9½pc 1985	100	101
GTE 8½pc 1986	99½	100½
New Zealand 9½pc 1982	103½	104½
Pacific Light 8pc 1988	96½	97½
Prov. of Quebec 7¾pc 1989	91	93
Quebec Hydro 8½pc 1989	99	100
Queensland 8½pc 1987	93½	94½
Scanraff 8½pc 1988	99	100
Shell 8pc 1986	100½	101½
Stand. Oil (Ind.) 8½pc 1988	101½	102½
Tenneco 7¾pc 1987	90½	91½
Transocean 8pc 1986	99¾	100¾
Utah 8pc 1987	95½	96½
Volvo 9½pc 1985	101½	102½
NOTES		
Air France 9½pc 1982	102½	103½
Ardal 9½pc 1980	103½	104½
Aust. Ind. Dev 10½pc 1981	104½	105½
Barclays 9½pc 1982	101½	102½
Cie Ntl. du Rhone 10pc '82	104½	105½
Du Pont 7¾pc 1978	101	102
Esso 7¾pc 1978	101½	102½
General Motors 8½pc 1978	100½	101½
Montreal 9½pc 1981	102½	103½
Nippon Steel 9½pc 1980	102½	103½
Norway 8pc 1980	103½	104½
Skand. Enskilda 10½pc 1981	105½	106½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	86½	88½
Ashland 5pc 1988	82	84
Beatrice Foods 4½pc 1992	96	98
Beatrice Foods 4½pc 1992	103	105
Borden 5pc 1992	96	98
Broadway Hale 4½pc 1987	76	78
Canon Camera 7¾pc 1989	108	110
Carnation 4pc 1987	82½	84½
Chevron 5pc 1988	102	104
Dart 4½pc 1987	89½	91½
Eastman Kodak 4½pc 1988	131	133
Economic Labs. 4½pc 1987	82	84
Eidai 7½pc 1989	80	85
Fed. Dept. Stores 4½pc '85	129	131
Firestone 5pc 1988	93	95
Ford 6pc 1986	94	96
Ford 5pc 1988	84	86
General Electric 4¼pc 1987	88	90
Gillette 4¾pc 1987	81	83
Gould 5pc 1987	89½	91½
Gulf and Western 5pc 1988	102	104
Harris 5pc 1992	80	82
Honeywell 6pc 1986	93½	95½
ITT 4½pc 1987	75	77
Komatsu 7½pc 1990	105½	107
J. Ray McDermott 4¾pc '87	139	141
Mitsui 7½pc 1990	103	104½
J. P. Morgan 4¾pc 1987	114	116
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	98	100
J. C. Penney 4½pc 1987	80	82
Pioneer 6½pc 1988	210	215
Rank 4½pc 1993	47	49
Revlon 4½pc 1987	100	102
Sperry Rand 4½pc 1987	99	101
Squibb 4½pc 1987	83	85
Texaco 4½pc 1988	75	77
Toshiba 6¾pc 1990	103	104½
Union Carbide 4½pc 1982	132	134
Warner Lambert 4½pc 1987	96	98
Warner Lambert 4½pc 1988	84	86
Xerox 5pc 1988	77	79

Source: Kidder, Peabody Securities.

APPOINTMENTS

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H. E. Child, M.B.E., Personnel Manager
Scandinavian Bank Ltd.
36 Leadenhall Street
London EC3A 1BH

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LEGAL NOTICES

No. 00571 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of WALTER WEINBERGER & COMPANY LIMITED and in the Matter of The Companies Act 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 17th day of February 1976, presented to the said Court by Department of Health and Social Security of State House, High Holborn, London, W.C.1. And that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 22nd day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

M. W. M. OSMOND,
State House, High Holborn,
London, W.C.1.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 19th day of March 1976.

No. 00567 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of GOLD STREAM TRAVEL LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 18th day of February 1976, presented to the said Court by M.D. TRAVEL LIMITED whose registered office is at 19, Old Hall Street, Liverpool 2, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 22nd day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

UNDERWOOD & CO.,
40, Welbeck Street,
London, W1M 8LN
Agents for: Edward Lloyd & Co.,
of Liverpool,
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 19th day of March 1976.

In the Matter of THE SPRINGS HOTEL AND COUNTRY CLUB LIMITED and THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of The Companies Act, 1948, that a meeting of the Creditors of the above-mentioned Company will be held at 7/11 Woodcote Road, Wallington, Surrey, on Tuesday the 24th day of February, 1976, at 5.30 o'clock in the afternoon for the purposes set out in sections 293, 294, 295 of the said Act.

Dated the 23rd day of February, 1976.

I. GILLAN (Director).

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CONTRACTS AND TENDERS

A. G. McKEE & CO.
on behalf of
YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS

INTERNATIONAL PUBLIC LICITATION NO. 17

PURPOSE: Supply of power transformers (19) according to NEMA Std. Tr. 1 or of IEC (Publication No. 76) suitable for outdoor installation, K.V.A. 200 up to 10,000, for a refinery at Cochabamba, Republic of Bolivia.

OPENING OF BIDS: On May 27, 1976 at the below-mentioned offices, at 11:00 a.m. The bids will be received until that date and time.

PRICE OF SPECIFICATIONS AND BIDDING CONDITIONS: U.S. $50.00 or its equivalent.

BID BOND: 0.5% of the amount of the bid.

INQUIRIES AND DOCUMENTATION: Inquiries may be made and specifications and bidding conditions may be secured at the office of "A. G. McKEE & CO.," Hipolito Yrigoyen 440, 8th floor, Buenos Aires, Argentina.

VALIDITY OF OFFERING: Ninety days following bid opening date.

FINANCING: By the BANCO INTERAMERICANO DE DESARROLLO (INTERAMERICAN DEVELOPMENT BANK), in accordance with Contract No. 225/OC-BO with the Government of the Republic of Bolivia.

PERSONAL

LEBANON — DIRECT RELIEF. 100,000 innocent people are homeless in cold weather. £2 will feed a family for one week. We guarantee that every penny given will be converted into food and given to certified needy families within two weeks of receipt through experienced welfare workers, without any loss or deduction for administration. We have already sent £10,000 but more help is desperately needed. Help is given on basis of need only without regard to ethnic race or creed. Send your gift please to the Rev. Dr. Irvonny Morgan, M.A., B.D., Chairman, Lebanon Direct Relief Fund, Bible Lands Society (Interdenominational—Est. 1854), The Old Kiln, High Wycombe, Bucks.

COMPANY NOTICES

SLATER, WALKER TRUST MANAGEMENT LTD.,

SLATER, WALKER DOMESTIC TRUST

NOTICE TO HOLDERS OF BEARER CERTIFICATES OR COUPONS

A notice convening a meeting of the Unit Holders of Slater, Walker Domestic Trust for 19th March, 1976, has today been despatched to holders of Registered Certificates. Holders of Bearer Certificates or coupons may inspect a copy of the same at the head office of the Trustee, National Westminster Bank Limited, 41 Lothbury, London, EC2P 2BP, and at the head office of the Managers, Slater, Walker Trust Management Limited, 3 London Wall Buildings, London Wall, London, EC2M 5QL. Dated 24th February, 1976

GOLD FIELDS GROUP

DECLARATION OF DIVIDENDS—
UNITED KINGDOM CURRENCY EQUIVALENTS

In accordance with the Standard Conditions relating to the payment of the dividends declared by the undermentioned companies on 5 and 6 February 1976, respectively, payments from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of R1.766190 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 23 February 1976 as advised by the companies' South African bankers.

The United Kingdom currency equivalents of the dividends are therefore as follows:—

Name of Company (Each incorporated in the Republic of South Africa)	Dividend No.	Amount per share
New Witwatersrand Gold Exploration Company, Limited	50	3.96333p
Gold Fields of South Africa Limited	54	42.46429p

By Order of the Boards,
C. E. WENNER, H. J. GREEN,
Joint London Secretaries.

London Office:
49 Moorgate, EC2R 6BQ.

United Kingdom Registrar:
Lloyds Bank Limited,
Registrar's Department,
Goring-by-Sea, Worthing,
West Sussex BN12 6DA.

23 February 1976.

PRETORIA PORTLAND CEMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 136

Further to the dividend notice included in the Interim Report of the Company which was advertised in the press on 31st January, 1976 the conversion rate applicable to payments in United Kingdom currency in respect of Dividend No. 136 is £1 = R1.748525 equivalent to 9.14719p per share.

The effective rate of South African Non-Resident Shareholders' Tax is 14.1%.

Office of the London Secretaries:
Charter Consolidated Limited,
40 Holborn Viaduct,
EC1P 1AJ.

Share Transfer Office of the London Secretaries:
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent,
TN24 8EQ.

23rd February 1976.

HIGSONS BREWERY LTD.

NOTICE IS HEREBY GIVEN that the TRANSFER REGISTERS in respect of the 6½% Unsecured Loan Stock (2000/2005) will be CLOSED from the 17th March to the 31st March 1976, both dates inclusive.

By Order of the Board.
G. W. PARSONS, Secretary.
127 Dale Street,
Liverpool L2 2JJ.
24th February 1976.

LONDON AUSTRALIA INVESTMENT COMPANY LIMITED

NOTICE IS HEREBY GIVEN that duly completed transfers on the register of stockholders received up to 5 pm on 12 March 1976 will be registered before entitlements are determined to a final dividend to be recommended for payment on 2 April 1976.

REGISTRAR

O. K. BAZAARS (1929) LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO PREFERENCE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the undermentioned half-yearly dividends have today been declared payable on the 31st March, 1976, in the currency of the Republic of South Africa, to all holders of the respective classes of shares registered in the books of the Company at the close of business on the 12th March, 1976:

6% First Cumulative Preference Shares. Dividend No. 85—3%
5% Third Cumulative Preference Shares. Dividend No. 65—2½%

The usual non-resident shareholders' tax of 15% will be deducted where applicable.

The registers of members will be CLOSED in Johannesburg and London from the 13th to 21st March, 1976, both days inclusive, for the purpose of the payment of the above dividends.

By Order of the Board.
J. B. PARNALL, Secretary.

Registered Office:
O.K. Buildings,
Eloff, Pritchard and President Streets,
Johannesburg.

London Registrars:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.

20th February, 1976.

GOURMET

GALLIPOLI RESTAURANT, off Old Broad St., E.C.2. Open every day for lunch. Dinner and dancing until 3 a.m. Cabaret twice nightly at 10.30 p.m. and 1.15 a.m. Mon. to Sat. £5.75. Tel. 588 1922.

LONDON AUSTRALIA INVESTMENT COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at its registered office, Victoria House, 44 Hunter Street, Sydney, NSW, Australia at 2.30 pm on 18 March 1976.

REGISTRAR.

CINEMAS—(Cont.)

SCENE 1, 2, 3, 4, Leic. Sq. (Wardour St.) 439 4470.

SCENE 1. Cont. Dly. 12.30. Late Sh. Fri. and Sat. 11.45. Ken Russell's LISZTOMANIA (X). Progs. 12.30, 2.20, 4.45, 7.05, 9.25. Late Show Fri. & Sat. 11.45.

SCENE 2. 2nd YEAR. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Late Show Fri. and Sat. 11.30.

SCENE 3. 2nd YEAR. THE TOWERING INFERNO (A). Sep. Perfs. Dly. 2.00, 5.20, 8.40. Late Show Fri. and Sat. 11.45.

SCENE 4. Cont. Dly. 1.00. Late Show Fri. and Sat. 12.00. Ken Russell's TOMMY (AA). Progs. 1.00, 3.45, 6.30, 9.15. Late show Fri. and Sat. 12.00.

WARNER WEST END. Leicester Square Tel: 439 0791. 1. HOUSE OF MORTAL SIN (X) Sep. progs. 2.30, 5.30, 8.30. Last 2 days. 2. BARRY LYNDON (A) a film by STANLEY KUBRICK starring RYAN O'NEAL, MARISA BERENSON. Sep. progs. Dly. 2.15, 7.30. All seats may be booked. Last 2 days. 3. OPERATION DAYBREAK (AA) Sep. progs. 2.30, 5.30, 8.30. 4. AL PACINO in DOG DAY AFTERNOON (X) Cont. progs. 2.15, 5.00, 7.50.

ART GALLERIES

REDFERN GALLERY. XX CENTURY GRAPHICS. 20, Cork Street, London, W.1.

ROYAL ACADEMY OF ARTS. The GOLDEN AGE OF SPANISH PAINTING. Until 15 March. Tues.-Fri. 9 a.m.-9 p.m. Sat., Sun., Mon. 9 a.m.-6 p.m. Last adm. 45 mins. before closing. Adm. 90p. 50p on Mondays and after 5.30 p.m. on Tues.-Fri. and until 1.45 p.m. on Sun. Students and pensioners half price.

ANTHROPOS GALLERY. Specialists in Ethnic Art. 65-67, Monmouth Street, Upper St. Martin's Lane, W.C.2. 01-836 3182. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition Mon.-Wed. 10-3, Thurs., Sat. 10-12 midnight. Sunday 1-7. New Exhibition of SHONO SCULPTURES.

FIELDBOURNE GALLERIES, 63, Queen's Grove, N.W.8. 586 3600. ENGLISH AND SCOTTISH PAINTINGS '75.

MARJORIE PARR GALLERY, 285 King's Road, Chelsea, S.W.3. PETER BALL. Sculpture: PIER STEENSMA. Paintings. Until Feb. 28th. Open all day Sat. Closed Monday.

THE PARKER GALLERY, 2, Albemarle Street, Piccadilly, W.1. Exhibition of old marine, military, sporting and topographical prints and paintings and ships' models.

CLUBS

GARGOYLE, 69, Dean St., London, W.1. STRIPTEASE FLOORSHOW. SEX UNLIMITED. Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sats. 437 6456.

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. 3 spectacular Floor shows. 10.45, 12.45, 1.45 and music of Johnny Hawkesworth and Friends.

CELEBRITY FOR CELEBRATIONS. If you are celebrating or entertaining the CELEBRITY and the BLUE ANGEL welcome you with superb food and top class entertainment. Tel. 493 7636-0855.

LONDON'S friendliest night spot for your prestigious entertaining. THE GASLIGHT, 4, Duke of York St., St. James, SW1. Hosts or lovely danceable girls. Quality Cabaret. No membership for out of town and overseas visitors. Tel. Day 01-734 1071, after 6 p.m. 01-930 1648.

Manchester £145m. road programme may be scrapped

BY OUR MANCHESTER CORRESPONDENT

SCHEMES COSTING £145m. for new roads and improvements to existing roads in Greater Manchester are likely to be axed because they are no longer considered realistic.

The road plans, which affect almost all 10 towns in the county and go back several years in most cases, were recommended for abandonment yesterday by Greater Manchester Council's transportation strategy committee. They are part of a £960m. package of schemes inherited by the county council, £124m. of which have already been scrapped.

Schemes proposed for abandonment include the Manchester inner ring and city centre road.

"A point of no return has been reached on the concept of the inner ring road and city centre road, and there are substantial portions which could and should be deleted quickly owing to the severe blight consequences, the threat to future employment and the sterilisation of what could otherwise be positive planning," said a report to the committee.

The abandonment proposals will be submitted to district councils for their observations. Some of the costlier schemes which face the axe are the M602 extension in Salford (£14.5m.), the Altrincham and Sale western by-pass (£14m.) and the southern section of an outer ring road at Bolton (£4.5m.).

Manchester has already told the GMC, however, that there should be reservations about sections of the inner ring road until alternative plans are investigated and agreed. Other districts have opposed the abandonment of some road schemes.

'Unrealistic'

The transportation strategy committee was told in a report yesterday: "If early steps are not taken to abandon unrealistic schemes, there may be adverse effects on employment, economy and the general and social well-being of the community as the effects of blight set in."

Counciller Gordon Thomas told the committee that plans to build a by-pass at Tyldesley, near Manchester, had blighted the whole town. "We can make no progress in improving the environment of the town centre. I daily write letters to the chairman of our highways committee telling him of the agony which is being caused to people living in the area," he said.

APPOINTMENTS

J. Booton to join Sime Darby Board

Mr. J. S. Booton will be joining the Board of SIME DARBY HOLDINGS as group finance director on May 1. Mr. Booton is at present finance director of Spillers and will resign from the Board of that company on April 30 to take up his new post. Mr. K. J. Morton, a director of Sime Darby Holdings with executive responsibility for finance, will relinquish his executive positions with the Sime Darby Group on May 31 but will remain on the Board of the Sime Darby Holdings as a non-executive director.

★

Lord Edward FitzRoy, a director of Imperial Foods, has been appointed chairman and managing director of a newly-formed company, IMPERIAL FOODS INTERNATIONAL TECHNICAL SERVICES. He will relinquish the chairmanship of Ross Poultry at the end of May and Mr. W. S. F. Wiley will become chairman of that company in addition to his present position as managing director.

★

Mr. Mauritz Sahlin has been appointed to the Board of SKF (U.K.). He is a deputy managing director of the SKF Group.

★

Mr. Alfred A. Hagemann has joined the Board of PROPRIETARY PERFUMES as perfumery director in place of the late Mr. J. Hackforth-Jones. Mr. Gerald Landers has become marketing director.

★

Mr. S. N. Clayton has been appointed chief engineer surveyor of LLOYD'S REGISTER OF SHIPPING. He succeeds Mr. N. Chambers, who has retired. Mr. E. Howey has been made deputy chief engineer surveyor in succession to Mr. Clayton. Mr. R. G. Lockhart is to become deputy chief ship surveyor from March 25. He will succeed Mr. F. N. Boylan, who is retiring early to take another appointment.

★

Mr. Albert Frost, who is retiring as financial director of Imperial Chemical Industries on March 31, has accepted an invitation to join the Board of MARKS AND SPENCER from April 1.

★

Mr. Laurie Gorham has been appointed deputy chairman of GENYK PRODUCTS.

★

COMMERCIAL UNION ASSURANCE states that from March 1 its Central and Southern Europe Division and Overseas Fire and Accident Department will be merged into a new division called the Overseas Division with the following general management. Mr. A. Wilson Smith, general manager; Mr. M. A. Linck, deputy; and Mr. E. L. P. Bawtree, Mr. F. A. G. Hoad and Mr. D. C. Pardoe, assistants. Mr. D. E. Whittingham, deputy general manager, will retire on June 30 after 40 years with the group.

★

Mr. Edward G. Denman, a director of J. H. Minet and Co., has been appointed a director of the LONDON WORLD TRADE CENTRE ASSOCIATION Board.

★

Mr. Lawrence G. Hadley has been appointed chairman of the NATIONAL JOINT CONSULTATIVE COMMITTEE FOR BUILDING. Mr. Hadley is a partner in Donald Smith Seymour and Rooley.

Mr. Alan Jones has succeeded Mr. Steve Neuman as representative of the Committee of Associations of Specialist Engineering Contractors on the ECONOMIC DEVELOPMENT COMMITTEE FOR BUILDING. Mr. Jones is chairman of CASEC and chairman and managing director of Crown House Engineering.

★

Mr. Alastair Garson has been appointed managing director of CLYDESDALE BANK INSURANCE SERVICES. Mr. Garson has been manager of the company since it was set up in 1970 by Clydesdale Bank.

★

Mr. Peter Woon is to be head of publicity of the BRITISH BROADCASTING CORPORATION when Mr. George Campey retires this year. Mr. Woon will be succeeded as editor, Radio News, by his deputy, Mr. Stan Taylor.

★

Mr. Reg Freeson, Minister for Housing and Construction, has appointed Mr. Bob Bean (Rochester and Chatham) as his Parliamentary Private Secretary in place of Mr. Jock Stallard (Camden, St. Pancras, North) following Mr. Stallard's appointment as an Assistant Government Whip.

هكذا صدر الأصل

FINANCIAL TIMES SURVEY

Tuesday February 24 1976

SCOTTISH BANKING and FINANCE

The Scottish financial community retained its confidence during the current recession in a way not shown by its counterparts in the City of London. Several factors have assisted but doubts remain about the underlying resilience of the local economy.

Confidence persists

By Chris Baur, Scottish Correspondent

[TH]E ONE insistent theme which [sti]ll seems to distinguish the [Sc]ottish financial community [fro]m its City of London counter[pa]rt these days, is its deter[mi]ned confidence about the [fut]ure. With studied Scottish [dis]dain, Edinburgh does admit[ted]ly sometimes rather overdo [the] good conceit it has of itself, [com]pared with the gloom which [it s]ays it still finds in the City. However, one cannot entirely [ign]ore the evidence of some [fair]ly stout performances in [bot]h the clearing and secondary [ban]king sectors, where profit[abi]lity has frequently held up [and] increased encouragingly. [Alt]hough this is undoubtedly [a] foundation for current con[fide]nce, what makes its persist[enc]e so remarkable is that it is against an almost unanimous [acce]ptance that the Scottish [eco]nomy will lag, perhaps quite [sign]ificantly, behind the rest of [the] country in reaching the [trou]gh of its recession before a recovery.

[Th]e banks have clearly bene[fited] in the last year from the [rela]tively strong performance [of th]e local economy. Scotland's [outp]ut and employment have [certa]inly continued to decline, [but] not so fast as elsewhere, so [that] her share of British un[emp]loyment is now at its lowest [poin]t for at least 15 years. Some [of] this has been caused by [Nort]h Sea oil-related activity [whic]h is estimated to have [gene]rated some 50,000 new [jobs]. Some of it must also be [due] to the lengthy employment-protecting order books with which many of Scotland's traditional industries like shipbuilding and heavy engineering went into the recession. Some, too, must be due to the slower recent rate of decline of some primary industries, notably coal mining, coupled with a more visible consequent pay-off from regional development policies.

There is, however, a genuine uncertainty about the degree to which these factors have wrought a lasting improvement in the underlying resilience of the local economy. Current analyses by the banks and some universities appear to agree that the recovery in Scotland will be delayed, and that there may well be a continuing deterioration in the employment situation for some time after the start of a revival south of the border.

Stimulus

There are a number of reasons for suggesting this. It seems probable, in the first place, that the major stimulus provided by new oil-related activities, has now largely been absorbed and may not be expected to generate much additional employment growth. The dearth of new capital equipment ordering by the offshore operators, which has been a characteristic of the North Sea business in the past 12 months, could have a serious effect during the current year, for example, on employment in the yards constructing production platforms, and in the ancillary fabrication yards making modules.

In addition, the insulation provided by the traditional non-oil capital industries' lengthy order books, has now been stripped away. That work is becoming exhausted quickly and the prospect of substantial redundancies particularly in the Clydeside area during the late summer and autumn looms ominously. Some of this may be balanced by the sharper reflexes of the consumer-based industries, reacting more quickly to an upturn in demand: but these industries are still seriously under-represented on the Scottish scene.

The year ahead, in other words, will severely test the validity of several of the perhaps rather cosy assumptions about the current new strength of the Scottish economy. Against that background, it seems altogether gratifying that the financial sector should be approaching this challenge in such good heart. There are, however, striking differences in some of the reasons offered for this confidence.

For some it has become intriguingly unfashionable to attribute it all to oil. It was the North Sea, of course, which turned the searchlight on Scotland about three years ago and which then led to a remarkable influx of finance houses—three American banks, two of the major London banks (Barclays and National Westminster) have opened Scottish operations, to join French and Canadian competitors. In addition, such home-grown merchant banks as Noble Grossart and Edward Bates which pre-dated oil, some eight others have since been formed in Scotland or have expanded into Scotland from the City.

But there have equally clearly been some misjudgements about the momentum of oil-related activity. It has not generated the volume of financial business that seemed likely to many in the euphoric days of 1973: and the degree of spin-off to local industry and services has probably also been less marked and more short-term in its character than was anticipated. Not only has the steady stream of incomers now halted, but in some cases there has been retrenchment, and branches have closed.

The sobering combination of hugely escalating offshore development costs, and the uncertainty about the government's oil policies has caused the lull which has so disappointed those who thought that the pickings would be easier. But it had also injected a valuable element of realism which is far from being a deterrent to those institutions which have, from the beginning, taken an essentially long-term view of the business opportunities represented by the North Sea.

The Royal Bank of Scotland, for instance, the largest of the three Scottish clearing banks, is optimistic about the resumption of growth by customers providing supply and support facilities for offshore operators. In addition, it has opened representatives' offices in New York and San Francisco from which it is developing a growing volume of business with the United States and, perhaps more important, an increasingly intimate knowledge of American industrial opinion, which will be crucial in assessing the timing and strength of the next development cycle in the North Sea.

This applies as well to the Bank of Scotland which in many ways is even more confident about renewed activity in the North Sea. It has worked long and hard to raise the level of its expertise on energy project financing, and now claims to have one of the largest oil divisions of any European bank (this includes a representatives' office in Houston, Texas). Its stake in the International Energy Bank has involved it closely in syndicated oilfield financing and it is certain that much of the fundamental reappraisal work on which it has been closely engaged with oil companies in the past year will shortly bear some fairly significant fruit.

The Clydesdale Bank, which serves as bank to all the platform construction companies, is naturally concerned about the dearth of orders for new offshore production equipment, and the likelihood that there may have been a substantial over-provision of building capacity, which will make it difficult if not impossible to maintain continuity of work at all established yards.

Quite apart from oil, there is evidence from some institutions that they are finding a gradual and positive change in the morale of Scottish industry. One of the most energetic apostles of this view is Noble Grossart, the Edinburgh merchant bank which is itself only seven years old and which, with its 70 per cent. profit rise in the past two years, reflects the young and aggressive image of the Scottish-managed companies it has tended to cultivate.

It regards the coming year as one of real opportunity for itself, and detects the emergence of a new breed of professional manager in several important sectors—construction, shipping, engineering and instrumentation—where companies have now weathered the storm of the last two years rather better than counterparts south of the Border, and have come through "fit and hungry."

The thought is echoed, too, by others is the same field—the recent arrival, County Bank (the merchant banking subsidiary of the National Westminster) and thrusting finance company of the Bank of Scotland (that bank's "merchant" arm which is now attempting to carve a separate identity for itself).

Trend

This encouraging trend may, in fact, have been somewhat concealed by the vigorous activity generated through North Sea developments, but if it exists in any strength it is almost certain to be fostered further by government policies. The recent creation of the Scottish Development Agency was primarily aimed at redirecting the emphasis of regional development policies, away from their traditional heavy dependence on the attraction of mobile industry from other parts of the U.K. or abroad, and towards the modernisation and re-equipping of indigenous Scottish industry. This, coupled with the increased attention to Scottish affairs which will follow the establishment of the proposed Scottish assembly, should contribute to a more creative atmosphere within which the financial institutions can use their skills.

Big stake in fund management

THE EXPERTISE and flexibility required from managers of investment and unit trusts were fully tested in the past two traumatic years, what with a two-thirds drop in U.K. share prices, followed by a sharp recovery; soaring interest rates followed by the recent sharp drop: the crazy fluctuations in the dollar premium and foreign exchange rates, and the rest.

The Scottish financial community has a large stake in this sector, particularly in investment trusts whose net assets comprise between a third and a quarter of the U.K. total. Several well-known fund managers are located in Scotland, some managing both investment and unit trusts, though there are certain large trusts—the British Investments Trust is an outstanding example—which has its own Board and management.

Again some of the unit trusts such as Save and Prosper, Crescent and Lawson's, run a variety of linked trusts, ranging from life insurance to property. For example Save and Prosper which claims to manage funds of around £600m. for 700,000 people, offer a choice of 23 options to the investor, from broadly based unit trusts to specialist ones (U.S., Europe, Japan, Scotland), from house-purchase and retirement schemes to one covering school fees.

Save and Prosper stood the investment trust Atlantic Assets in good stead and compensated to some extent for Atlantic's more doubtful investments such as its share in the merchant bank Edward Bates and in the Singapore-based holding company Haw Par which it had acquired from Slater Walker not long before it became a subject of a local inquiry and which is now omitted from the valuation of its portfolio. It has been estimated that, even at the bottom of the market, Save and Prosper was worth to Atlantic nearly 13 times the original investment.

Incidentally, even Bates, whose share value plummeted last year as losses of £15.2m. were declared (the bank has made a partial recovery since then), is, according to Atlantic's managers, Ivory and Sime, still worth the original £2m. for which it was bought five years ago.

Atlantic is, of course, an unusual trust in that the larger part of its portfolio comprises single major investments such as Bates, Haw Par and Save and Prosper. It has recovered to some extent from the trauma of the past two years, with pre-tax profits in the second half of 1975 up by nearly 80 per cent. compared with the same period in the previous year.

Generally, Scottish-based investment trusts, traditionally strongly orientated towards North America, were having to make frequent switches in their investment policies in an effort to at least try to maintain capital values while seeking to achieve a reasonable yield for the shareholders.

In 1974, dollar premiums helped to mitigate the effect of the collapse of U.K. stocks on incomes. At the same time, many trusts increased their liquidity to take advantage of soaring short-term interest rates, only to be caught in the following year by the sudden rise of equity values in the U.K. market and, often through postponing the evil hour, by having to pay inflated prices for stock.

During this period, too, many dollar loans were liquidated and U.K. or European stock bought with the repatriated cash. Some investment trusts, notably Scottish United and Scottish Northern, met their needs for dollars by arranging (through merchant bankers Noble Grossart) a "reciprocal loan," the U.S. loan being financed by a company with a U.K. subsidiary which has in turn received a sterling loan from the trusts concerned. The cost of the dollar premium has thus been avoided.

As always, timing plays an important part in transactions, influenced by the prevailing interest rates in the countries concerned. It certainly did in the reciprocal loan deal.

While there was a certain temptation for both types of trust, investment and unit, to cash in on the London stock market boom—many of them shifted their U.K.-U.S. ratio back in favour of the former—over a longer period it is the ones which retained a substantial U.S. interest that seem to have come out on top.

As fund managers keep emphasising, the performance of trusts must be judged on a long-term basis rather than on the gains and losses appearing in six-monthly reports.

Reduced

Talking of losses, Second British Assets has shown in its sharply reduced dividend—as forecast—last year's switch in policy, going all-out for capital rather than income growth which the managers, Ivory and Sime, claim is in the interest of around 70 per cent. of shareholders.

Another 1975 forecast that has come true concerns some of the Murray-Johnstone, Glasgow, trusts. Here Mr. Healey's last Budget has caused many of the shareholders to convert into Ordinary shares in preference to scrip which is now being taxed.

In the case of Second Great Northern this has meant nearly 75 per cent. of the "B" Ordinary shares (which qualify for a scrip issue equivalent to the dividend) being converted into Ordinary shares.

Second Great Northern was, incidentally, one of several Scottish trusts which had been caught out by switching from short-term deposits into equity on a fast-rising market and so earning a lower return on new investment.

The problems facing fund managers during the past two tumultuous years were summed up by Mr. David F. McCurrach, chairman of a leading investment trust, the Dundee-based Alliance Trust.

Mr. McCurrach was commenting last autumn on the 1974-75 results of Alliance's companion trust, Second Alliance: "As prospects have changed, we have altered the disposition of our funds and changed directions," he said. "We had already reduced U.K. equities a year ago. With deepening crisis and rising inflation in Britain during the autumn of 1974, we sold our gilt-edged stocks, simultaneously increasing gold and liquidity and moving into Germany bonds and, early in 1975, into German equity, too.

"During the spring (of 1975) we restored some of our U.K. equities, participating large flow of rights Finally, towards the end year, with world inflatio ing we have lightened o holding: and with the financial disaster recedi had reduced liquidity, re to gilt-edged."

Certainly a lot of activ which not everyone woul One cynic even suggestec certain fund managers h on an extended holiday c two years, their share—holders might ever benefited.

Most fund managers a ing a keen if wary look a Sea oil and gas ope which, in the view of ar tive of a leading firm, c ably under-performed past two years. The suc the SCOT-LSMO issue this month (described i detail in another article survey) might have l pointer, and a justificat some trusts which have i substantially, directly directly. In exploration panies including SCOT Pict, Viking Oil or Clyde leum, all of which are Scottish based.

That opinion was h just before Kuwait, Arabia and Iran cut th prices—not a happy on the more marginal fields North Sea. This shows c well how precarious life fund managers jugglin volatile high-risk inv outlets within already geared portfolios.

Andrew Har

Merchant banks' active role

ONE OF the intriguing financial stories of recent weeks was the £76m. linked issue for part-financing the giant Ninian Field by two investment companies, London and Scottish Marine Oil Co. (LSMO) and Scottish Canadian Oil and Transportation Co. (SCOT).

The two companies are partners in the Ranger group and between them own about 9 per cent. of the Ninian Field. Not only do they have strong Scottish institutional support but the secretary to the two companies (which are likely to merge soon) is Scotland's newest merchant bank, the James Finlay Corporation. James Finlay's parent company, an old-established Clydeside industrial holding company, is itself directly, and through a nominee, among the largest institutional shareholders of LSMO and SCOT.

Finlay, established in 1973 in Glasgow, and its seven-year-old Edinburgh competitor Noble Grossart, provide some of the evidence of the strong revival of secondary banking services in Scotland. Unlike Edward Bates, now back on the profits trail after disastrous losses in 1974, or the British Bank of Commerce, merged with Brandt's of National and Grindlay's after a similarly disastrous year, both Noble Grossart and Finlay weathered the collapse of the property boom and maintained an upward trend in profits. Noble Grossart in particular has steadily extended its foothold in the oil industry.

Noble Grossart, set up in 1969 with strong Scottish institutional support, is still an unquoted company. With Mr. Angus Grossart, the managing director, and Sir Hugh Fraser, chairman of Scottish Universal Investments, by far the largest single shareholders. Capitalised at £7.2m. and with total assets of £20.4m., Noble Grossart turned in a pre-tax profit of £730,568 for the year ended January 31, 1976, £122,000 up on the previous year and an increase of 72 per cent. over the two-year period. It is also strongly liquid, with more than half the total assets in cash or cash equivalent. Fully 85 per cent. of the liabilities are in deposit and current accounts.

Involved

While strongly involved in North Sea oil activity, the bank, as Mr. Grossart pointed out in his annual statement earlier this month, had benefited from some of its international oil and gas clients outside the North Sea as well. (One of these is the Kuwait Investment Office whose £107m. St. Martins Property, London, purchase in October 1974 was arranged by Noble Grossart.)

The bank's interests in North Sea oil development includes North Sea Assets and Pict Petroleum, an onshore and an off-shore investment company respectively, for both o: it acts as an ope manager.

North Sea Assets, an ment company set up l with strong institutiona ing, produced a substant tax profit of £2.84m. in on a committed investr £23m. while Pict, so far £1.7m. in the red, hc move into profitability ing an oil strike off Al in a block in which it per cent. interest.

North Sea Assets' spinners are its investn Oceaneering Internation ing and marine service Northern Offshore ships), the share in wh fits more than offset lc the bankrupt Marine Oi try Repairs and the c Theriot Offshore, anoth ply ship operator.

Pict participates altog four North Sea exp groups (a total of 14 and has equity in tw companies which in tu interests in a furth blocks.

Noble Grossart's own ment subsidiary supports Scottish companies of i size, with individual ments ranging from £10 £500,000.

Finlay also has a dire in the offshore busines subsidiary, Scottish (Investments set up las with an initial capital c has so far taken equity

CONTINUED ON NEXT PAGE

Clearers in good shape

WHEN THE Bank of Scotland and the Clydesdale Bank declare their full-year results later this spring, they are expected to be an advance on the previous year's—as was the Royal Bank of Scotland's return last November. This is in marked contrast to the performance of the London clearing banks whose interim results had shown hefty declines in profits. For the National Commercial Banking Group which includes a London clearer, Williams and Glyn's, as well as the Royal Bank, this meant a 10 per cent. drop in overall pre-tax profits, even though the Royal Bank's operating profit was slightly up on the previous year's figure.

Although the Scottish banks are like the London clearers, involved in proportion to their resources in the Bank of England's "lifeboat" operation for the secondary banking sector, they have emerged from the collapse of the property market in a good deal better shape. This is due partly to less violent fluctuations in property prices in Scotland compared with South East England, but also to the lower rate of commitment by the Scottish banks to the property sector.

An analysis of bank lending by the stockbrokers Wood, Mackenzie and Co. indicates that in November 1973, just as the market was about to take a downward turn, the London clearers had 6.5 per cent. of their lending in property as against only 5.1 per cent. of the Scottish banks.

On the other hand, in times of high interest rates and accelerating inflation, the Scottish banks had a higher proportion of their deposits in interest-bearing deposit accounts compared with those of the London clearers which, at the height of competition for deposits in 1973, reduced the gap between the base rate and interest paid on deposit accounts to as little as 1¼ per cent.

The gap has, of course, been widening ever since and now stands at 4 per cent.—5½ per cent. interest on deposits against a base rate of 9½ per cent. Such a margin is obviously a profit booster particularly if lending to industry, at present somewhat sluggish because of the recession, revives as a result of economic recovery and lower overdraft charges. Much of the extra surplus will, of course, be eaten up by inflation, including pay increases and mounting pension fund provisions.

Nevertheless, the relatively strong economic activity in Scotland last year and its resistance to the recession has contributed to the banks' performance. In the case of the Royal Bank, sterling deposits rose by 24 per cent. in the year ended September 30, 1975, and sterling advances by 20 per cent., or about three times the London rate. Foreign deposits and advances increased by nearly 90 per cent. during the period.

Results

It is true that these results reflect a trend which had since taken a turn for the worse, at least for the purely clearing function. The Bank of Scotland's interim report in respect of the half-year ended just a month before the Royal's final accounts reveal the significance of its finance and merchant banking subsidiaries, Bank of Scotland Finance (which recently opened a branch in Glasgow) and North-West Securities, in the bank's overall profitability.

Equally, the Royal Bank's 43 per cent. holding in Lloyds and Scottish, "which almost alone among the major finance companies in the U.K., has continued to produce satisfactory results," according to Royal Bank chairman Mr. J. O. Blair-Cunynhghame, has helped to offset the bank's falling profits share from associated companies, especially from Finance for Industry.

The North Sea oil operations have, in spite of the long lull in platform building orders (finance for the yards has been arranged almost exclusively by the Clydesdale Bank) meant continued expansion in the banks' activities.

As Mr. Blair-Cunynghame pointed out in his comments on the Royal Bank's annual accounts, North Sea activities presented opportunities to, among others, the marine and engineering industries which would otherwise have suffered more severely from the world-wide recession.

All three Scottish clearing banks have contributed to the funding of the Forties Field, first repayments for which were made on February 11. The Royal Bank is among the financial institutions participating in the loans for the Piper and Claymore fields. But it is the Bank of Scotland which, through its 15 per cent. stake in the International Energy Bank, the joint leader of consortia which raised $550m. for the financing of the two fields, has been more directly involved in oilfield development.

Altogether, the North Sea-related commitment of the Scottish clearing banks has been estimated at around £250m. or ten per cent. of their total resources.

Not surprisingly some of their competitors have felt it necessary in recent years to put in a Scottish presence. The more recent arrivals include the National Westminster Bank, (the only London clearer without a stake in a Scottish bank), Barclays International and, early this year, the Co-operative Bank which now has a full clearing bank status.

National Westminster which already had a finance and hire-purchase subsidiary, Lombard North Central, operating with branches throughout Scotland, has now also added its merchant bank subsidiary, the County Bank, to the Scottish presence.

In a recent Radio Forth interview, Mr. Alex Dibbs, the bank's chief executive, acknowledged that North Sea activity was an important factor in the bank's decision to set up branches in Edinburgh and Glasgow, with the possibility of a third branch in Aberdeen. "National Westminster Bank, after all, together with two other banks, were co-managers of the Forties Field financing," he said. But the main reason for coming to Scotland lay elsewhere.

"Principally, of course, we are following our existing customers," explained Mr. Dibbs. "We have around 400 corporate customers who are working directly or through subsidiaries in Scotland, and 14,000 private customers living and/or working in Scotland. We felt we had to follow these people and offer them our group services on the spot. Not to do so would be to offer these valuable accounts on a plate to our competitors," Mr. Dibbs added.

However, it seems unlikely that for ordinary retail bank operations, National Westminster, with two or even three branches, can compete with the 1,300 or so branches of its Scottish competitors scattered in the length and breadth of Scotland. This was tacitly admitted by Mr. Dibbs when he said that from the economic viability angle, "our marketing thrust will initially be aimed at the corporate sector."

There, National Westminster will be competing also with four American and two French banks as well as the Canadian Bank of Nova Scotia, established in Scotland since 1963 and now with branches in Glasgow, Edinburgh and Aberdeen. So will the Co-op Bank.

Another recent arrival in Scotland is the Union Discount Company of London, the first City discount house to set up north of the border. The presence in Edinburgh, the principal financial centre in Scotland, of a bill broker, Mr. Michael Healy, has a significance in more ways than one.

Recognition

It is a recognition of a growing banking sector, now covering all four London clearers (Clydesdale is wholly owned by Midland, Barclays has a 35 per cent. stake in the Bank of Scotland, Lloyds a 16 per cent. one in National Commercial) as well as several foreign banks, all of which may use the services provided by discount houses. These are, of course, also available to short-term investors interested in outlets such as certificates of deposit, commercial, local authority and Treasury bills and bonds. Discounting bills of exchange should, moreover, help in financing Scottish industry.

Scottish banks have often been accused of being too cautious, safety-minded and even niggardly towards industry. The reality is that the relatively low rate of advances to industry, it was only 22 per cent. of total lending last autumn, was due as much to industry's unwillingness to borrow as to the banks' caution, which in turn seems to have been partly justified by the steeply rising number of bankruptcies.

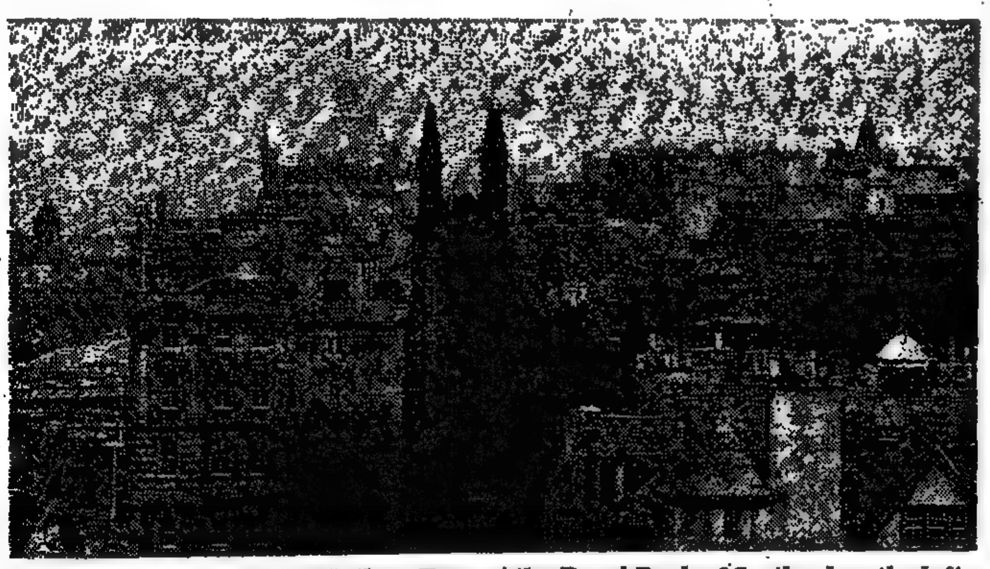
As one leading Scottish bank executive pointed out: "There is plenty of money about for the right chap." Who the "right chap" is and what his specifications are, depend of course, on the lender's judgment.

A.H.

BALANCES OF SCOTTISH CLEARING BANKS
JANUARY 21, 1976

		Total outstanding £m.
LIABILITIES		
Notes in circulation		269.6
Sterling deposits		2,443.4
of which: Sight	[illegible]	
Time	1,491.9	
Foreign currency deposits		380.1
Total deposits		2,823.5
Other liabilities		612.6
Total liabilities		3,705.7
ASSETS		
Sterling:		
Notes, coin and balances with Bank of England		302.1
Market loans		527.9
Bills		156.7
Special deposits with Bank of England		39.9
Investments		238.6
Advances		1,637.4
of which: U.K. private sector	1,502.1	
U.K. public sector	30.9	
Overseas residents	104.4	
Other sterling assets		409.7
Foreign currencies:		
Market loans		107.6
Advances		274.5
of which: U.K. private sector	142.0	
U.K. public sector	67.1	
Overseas residents	64.3	
Other foreign currency assets		11.3
TOTAL ASSETS		3,705.7
Acceptances		30.9

Source: Committee of Scottish Clearing Bankers.



ank Street, Edinburgh, with the offices of the Royal Bank of Scotland on the left.

Merchant

CONTINUED FROM PREVIOUS PAGE

lated companies, a total stment of £250,000. Scottish ore has an approved al of £18m., suggesting a larger commitment in e.

ile Noble Grossart has up now stayed out of the management business, y is managing an investment trust as well as pension, annuation and private s. The bank expects a hird advance in 1975 on 1974 pre-tax profit of 000 when total assets nted to £17.7m.

tland's third domestic hant bank, rather smaller Finlay or Noble Grossart, McNeill-Pearson, banking diary of the holding com- Dalscot which in turn een a subsidiary of Dalton n before being bought in by a number of Scottish utions and converted into gely investment bank.

sses

ward Bates, floated by the urgh investment mana- Ivory and Sime in Decem- 1972, with one of its ged trusts, Atlantic Assets, e major shareholder, has many ups and downs in its t history. Losses on rty investments and on urchase of the life com- Welfare Insurance, re- l in a deficit of £15.4m. e year ended March 31, and a more than £90m. in the bank's assets to n.

re recently the bank seems ve turned the corner fol- g major managerial changes and a new large shareholder, a Middle East (mainly Saudi Arabian) consortium which now holds nearly 25 per cent. of the equity, with an option to a further 15 per cent.

The latest interim report for the half-year ended September 30, 1975, showed a pre-tax profit of almost £300,000 which has been attributed by the Board mainly to its Arab link and the clean-out of loss-makers, including the sale at a nominal price, of Welfare Insurance.

Although Bates still manages a North Sea offshore investment company, Viking Oil, it is based on London and has, partly as a result of Atlantic Assets' reducing holding, loosened its Scottish ties. On the other hand, the British Bank of Commerce has continued to operate from a Glasgow headquarters even though part of the National and Grindlays group.

Strong competition to the vigorous though relatively small Scottish-based merchant banks comes from branch offices of the major London merchant banks which include Singer and Friedlander, Hill Samuel, Morgan Grenfell and the Charterhouse group. All have moved in during the past few years, no doubt influenced by the coming of North Sea oil which is confirmed by the appearance of branches in the "oil capital" of Aberdeen as well as in Edinburgh and Glasgow. The Slater Walker branch in Glasgow has, on the other hand, been closed. Slater Walker Securities has on the other hand retained its almost 27 per cent. interest in John Finlay and Co., parent company of the merchant bank.

Further competition is created by the merchant banking subsidiaries of the three Scottish clearing banks and finance and hire-purchase companies which include Lloyds and Scottish (43 per cent.-owned by the Royal Bank) one of the few major finance houses which have escaped the 1974 disaster. Lloyds and Scottish produced a record pre-tax profit of £13.1m. in 1974-75, £2.5m. up on the previous year.

National Westminster, the only London clearing bank with no direct Scottish stake, has set up a branch of its six-year-old merchant banking subsidiary, the County Bank, in Edinburgh. The bank's finance and hire-purchase group, Lombard North Central, has several branches throughout Scotland, and so have the finance subsidiaries of the other London clearing banks, the Forward Trust (Midland/Clydesdale) and the Mercantile Credit Co. (Barclays).

Long-term finance is provided also by the Scottish branches of the Industrial and Commercial Finance Corporation which has about 10 per cent. of its funds located in Scotland and has a local merchant banking subsidiary, Scottish Industrial Finance.

While North Sea oil certainly provided a stimulus to the further expansion of Scottish financial services, Scottish industry had already assumed an increasingly international character which in turn led to the establishment of North American and French branches offices—and to the growth of competition in merchant banking.

A.H.

The public sector

WITH THE intensification of central Government's regional development policies during the last decade and a half, there has been a steady growth and diversification of public sector financial aids available to industry which is either expanding in or moving to Scotland. Much of the administrative and promotional machinery associated with this aid in Scotland has recently undergone a substantial reorganisation, aimed at presenting industrialists with a locally-managed and flexible package to encourage investment.

One of the most interesting of these developments has been the creation of the Scottish Development Agency, just before the turn of the year. Chaired by Sir William Gray, former Lord Provost of Glasgow, and with Mr. Lewis Robertson, head of Grampian Holdings as its chief executive, the Agency has been given a prime role in attempting to stimulate industrial growth. Allocated a budget of £300m. with a further £100m. "on call" over five years, it has three main functions: first it assumes responsibility for environmental improvement and the clearance of derelict industrial land, a task formerly undertaken by local authorities but funded largely by central government: second, it absorbs the former Scottish Industrial Estates Corporation, which has operated successfully for more than 30 years as the Government's organisation for providing advance and custom-built factories: third, it has what is loosely called a "merchant banking" remit, under which it is empowered to generate investment through commercial loans, equity participation, acquisition or enterprise on its own behalf.

The Agency will require some astute and politically-sensitive management. It is, for example, under strong pressure to engage in an instant frenzy of activity because of Scotland's rising unemployment. It has chosen to resist this. It has wisely identified the Clydeside region's intractable problems of manufacturing decline and urban decay as its major (indeed, almost exclusive) task. But it has deliberately discouraged the view that it should embark on anything other than a measured and long-term *modernisation of indigenous* industry.

There are a number of reasons why it should be so cautious. In the first place, it has tended to be rather oversold by Ministers who have been anxious for it to be regarded in Scotland as a keen Westminster initiative on the industrial front which would perhaps counteract much of the current public obsession with the devolution of actual power from Westminster to a Scottish Assembly. Almost inevitably, though, the SDA's accountability has become a subject of some controversy. The Government's own proposals for a Scottish Assembly unsatisfactorily suggest splitting the SDA's functions between the Secretary of State for Scotland (who would retain responsibility for its important investment-generating role) and the Assembly (which would be given responsibility for its less contentious environmental and factory-building functions). The Minister and the Assembly would each appoint half the SDA's Board.

Solution

In practical terms, this solution represents the worst of both worlds for the Agency. In political terms, it has merely fed the demand that the SDA should be transferred wholly to the Assembly as part of the devolution package, as the means of giving the Assembly its only formal executive function in the industrial and economic field. Pressed first by the Scottish Nationalists, this theme has been taken up by some trade unions and most recently (in a significant conversion) by the Labour Party's Scottish leadership. There is also a second argument smouldering away about the adequacy of the SDA's budget. The trade unions in particular (as the original promoters of the SDA concept) now appear to be increasingly restless about the composition of the global £300m. allocation. The fact is that once allowance is made for the planned doubling of land clearance work and public sector factory building programmes, which could easily have been accomplished through existing agencies, very little is likely to be left for what is regarded as the fundamentally new function for which the SDA was really created—investment generation.

On the credit side, the SDA certainly enjoys a much more widespread acceptance in the Scottish industrial and commercial community than seems to be the case with its senior partner, the National Enterprise Board. This may be not only because of its wider and less specifically interventionist remit, but also, conversely, because regional development policies have in any case conditioned much of Scottish industry to expect a marked degree of Government involvement in their business.

Nevertheless, these early controversies about the Agency's ultimate accountability, and its immediate budget, means its affairs need to be firmly handled *from the outset.* Several of its senior members assume, for example, that given the political capital which hangs on its success, the Government is scarcely likely to starve it of funds. A good deal of importance will therefore attach to the schemes it chooses to initiate, and how *these are regarded by Government,* either in terms of employment growth or manufacturing modernisation. One of the first major schemes in which it is likely to play a key role is the Scottish Office-British Steel Corporation plan for a comprehensive redevelopment of the derelict Cambuslang area on the outskirts of Glasgow. This will provide alternative jobs for redundant steelmen.

In the meantime, the SDA has been able to get some immediate "cash flow" by taking *over the Scottish Industrial* Estates Corporation. It has some 17 unallocated advance factories (14 in West Central Scotland) which are either completed or under construction. An additional 26 have still to be built, and there is 1.5m. square feet of vacated factory space to let.

There is, of course, a junior partner for the SDA, whose existence is *sometimes* overlooked, but whose ten years of operation has provided valuable experience in designing the larger organisation. It is the Highlands and Islands Development Board, operating from Inverness. The Board exercises many of the powers now also given to the SDA—it may build factories for lease, and can take equity in companies (it actually has a modest portfolio of minority investments in more than a dozen companies).

The Board can give assistance by way of grant and loan, often at rates which are marginally more attractive than those available in other development areas. In the years since it was established in 1965, the HIDB *has approved grant, loan and* equity assistance of £21.8m. for over 3,000 projects, with private investment accounting for a further £28m. The bulk of the finance has been directed towards the expansion and establishment of indigenous Highland region enterprises, *and it is estimated that this has* created some 10,300 new full-time and part-time jobs there.

The operations of the Highland Board foreshadowed the establishment of the Scottish Development Agency; the creation of the SDA has, in its turn, precipitated important changes in the administration of regional development policy in Scotland. The Scottish Office, which under the government's devolution proposals will shortly lose responsibility for all of its traditional "dor functions (roads, health, etc.) to the asser now being built up as Scc "industrial department.", by the SDA, the Scottisl is now responsible for s regional assistance to ir a function which has bee ferred to it from the ment of Industry.

Inherited

These functions have inherited by the new In Development Division, b Glasgow, *within* the r created Scottish Econom: ning Department of the S Office. The IDD, as handling the disbursem selective assistance, also with industry's locati quiries (more than 15 p down on last year) and agent for the Departm Industry in admin special categories of ai able under Section 8 Industry Act. This app such industries as fo non-ferrous manufa clothing, machine too *printing. The IDD also* the Department of Tr export promotion.

One other organisation contribution has grown portance is the Offshor plies Office of the Dep of Energy. Based also i gow, the OSO is respons *raising the U.K. industry* of the North Sea oil i for equipment and serv recently demonstrated th of its access to Indust assistance by arranging convertible loan for ar deen-based offshore operator, the last two o *fleet of 12 tug-supply* had to be refinanced the builder went into r ship.

Personal savings

SAVING FOR a rainy—or sunny—day is a natural human instinct whose quirks are of considerable significance not only for the individual but also for the economy and society as a whole. In 1950, with the memory of sparse war years still fresh, Britons saved less than 2 per cent. of their incomes: by 1974, partly through growing prosperity, the proportion had risen to 10 per cent or a substantial £7bn. The trend has held up well since in spite of last year's bout of inflation.

The biggest outlets for savers are life insurance, pension funds and building societies, each of which attracted funds of around £2bn. in the first half of last year, partly at the expense of stocks and shares which, not surprisingly after the collapse of the stock market in 1974, dropped by over £1.1bn. in value.

Scotland is well represented in the life sector—the biggest mutual, Edinburgh-based Standard Life, is also the third largest manager of pension funds—and is the home of one of the leading U.K. "composite" insurance companies, General Accident. The four regional trustee savings banks formed by the amalgamation of 17 smaller banks following the recommendations of the Page Committee command nearly 18 per cent of all TSB funds in Britain. On the other hand, the building society sector is relatively weak and is dominated by the big U.K. societies, with domestic societies holding less than 10 per cent. of total funds in Scotland.

A survey on personal savings* published recently illustrates graphically the differences in Scottish and English saving habits. Only 18.3 per cent. of the Scots interviewed had a bank current account compared with 33.3 per cent. in the U.K. as a whole and 9 per cent. had a share in a building society (22.8 per cent. in the U.K.). On the other hand, 22 per cent. had a bank deposit account (19.4 per cent.); 14.1 per cent. a TSB ordinary account (11.6 per cent.); 34 per cent. had life insurance (26.4 per cent.) and 10.1 per cent. a linked life insurance (8.7 per cent.). Scots also invested less directly in the risk-bearing funds such as stocks and shares, investment and unit trusts and property bonds.

"Directly" is the operative word as the institutional investors, except for the building societies, hold much of their funds in stocks and shares which is the main reason why the total assets of the nine Scottish life companies declined from £2.6bn. in 1973 to £2.26bn. in 1974. They recouped much of the loss in the stock market recovery of last year: but in any case, as Mr. T. N. Risk, chairman of Standard Life† pointed out, "what concerns us is not the level of Stock Exchange prices on a given day but the income produced by our investments and the security of the underlying capital. We are bound to take a much longer view than the Stock Exchange which tends to exaggerate the importance of good news and bad news alike."

Mr. Risk's comment that Standard Life had faced the drop in the market value of its assets with "comparative equanimity" was amply justified by the 1975 results of not only his company but those of the other leading mutuals. Sums assured by Standard Life were up by £260m. to £1,082m.; Scottish Widows' by £150.5m. to £660m.; Scottish Provident's by £90m. to £350m.; Scottish Life's by £37m. to £223m.

Standard's ordinary life business rose by £160m. last year to £737m. and group life business by £80m. to £344m. It also claims to have paid out an average of 96.7 per cent. of the maturity values under endowment assurances over the nine surveys of the life insurance industry carried out by The Economist between 1950 and 1975, the highest of any office.

This shows that Standard Life and Scottish Widows were among the top four in respect of with-profit maturity values after 25 years in all of the nine surveys; Standard Life was among the top three in all of the eight surveys in respect of with-profits claim values after 40 years—first or second in the last five—while Scottish Widows was top in the 1975 survey and second in tthe previous three.

As already indicated, Standard Life is prominent in the pension funds sector, too, with total funds of around £500m. (£300m. in Britain, the rest in Canada where a substantial proportion of the company's business is located). The British share is estimated to account for about 5 per cent. of U.K. pension funds, or for about 10 per cent. in the private sector alone.

Consultants

Scottish companies also figure high in the life equity funds and *mixed* funds sectors. According to a recent survey carried out by the pensions consultants, Harris Graham, Scottish Mutual was the third best performer among life *equity funds while Scottish* Amicable led the mixed funds, with two Scottish Widows Funds third and fourth respectively.

Other forms of inflation-proofing, such as unit-linked schemes or policies with built-in annual increases in the family income have been introduced by certain Scottish life companies. The latter is featured by one of the smaller companies, Scottish Equitable, while Scottish Amicable, one of the top three in Scotland, is now on the second series of its unit-linked policies. Standard Life has abandoned its unit-linked scheme because (an executive says) of apparent lack of enthusiasm among its customers.

Insurance companies, as much as pension funds, have to draw a careful balance in their investment policy between maximum reward and security for the policyholder, known in the trade as "matching distinctly cool receptio by the Scottish life co and pension fund man: the Bank of Englan Equity Investments (EIL), a relatively £50m. initial capital proof not only of their of a Government institution but also the volved in a scheme wh or may not pass the commercial viability.

Launched

For all that, General and the Scottish " have figured prominent institutional support fo Sea offshore and operations, from the Field consortium to th rather novel Ninian Fi ing exercise launched two investment co LSMO and SCOT, and f exploration companies, Pict Petroleum, Cab Clyde Petroleum and Oil. (Further det Scottish institutional for North Sea oil developments in other in this survey). Income other investments help set General Accident' last year, particularly insurance sectors.

As already indicate ing society activity in is well below the U.K. due to some extent lessening but still preference of Scots to local authority rented The domination of the societies is underlined fact that even the domestic one, the Dun Building Society, ha only a fraction of th in Scotland by leading such as Nationwide, Alliance, etc.

On the other hand, cent streamlining of savings banks and thei ture from the "mutual is making them a rea force" in Scottish bank

Although even the l the four Scottish region the West of Scotland Savings Bank, has ass at £300m., are well un of the smallest of th Scottish clearing ban Clydesdale) it has 89 *in an area containing* Scotland's total popula so provides increasi petition to the clearin for deposits. (The oth Scottish regional TS Tayside, South of Scot Aberdeen).

The West of Scotla is likely to expand fu the near future by a the Greenock Provide (not a recognised TSB sent) this spring. All regional banks are n moting TSB unit trust linked to life insurance competition with some major unit trusts a assurance companies.

* *Personal Savings an in Britain, publisher Financial Times, 197*
† *Standard Life Annua 1974.*

Church hardens its policy on South Africa

BY LORNE BARLING

THE CHURCH Commissioners yesterday adopted a new and more aggressive stance against loans to the South African government by institutions in which the Church of England has money invested.

The Commissioners said that if necessary they would support a motion at the annual meeting of the Midland Bank which calls for no further loans to the South African Government, its departments, agencies or state corporations.

They have not supported joint shareholder action in the past, although opposed to direct lending of this kind. They now felt that their views should be stated publicly "as a matter of Christian conscience, not politics."

They had been uneasy about the Midland Bank's lending for the last two years and had made their views known to its management.

General policy was not to invest directly in companies operating wholly or mainly in South Africa, and although the Midland's involvement there was minimal, it was felt that funds should not give support to "an undesirably racialist or discriminatory regime."

The resolution, to be tabled by the anti-apartheid organisation End Loans to Southern Africa, will receive the Commissioners' support if it evokes an unsatisfactory response from the bank and if carried to a vote.

The Commissioners added that they intended to retain the policy of exercising their influence in these matters privately rather than through joint action, but would make an exception in this case.

The Midland, which has an 18 per cent. share in the Standard Chartered Group in South Africa, but no branches, said that its overall investment there was very small. It would provide no details of loans.

"We believe that we should follow normal banking principles and that we should not allow ourselves to be influenced by opinions expressed on account of borrowers outside the commercial field.

"We look to the Government of the day and the properly constituted monetary authorities to consider such opinions and to decide whether to introduce legislation or to give us directives in other constitutional ways."

The group did business all over the world with organisations and governments, but if it was influenced by political views—favourable or unfavourable to a particular Government — international business would become impossible.

"In our view our right and proper course is to observe a strict political neutrality in all our dealings, subject only to any relevent U.K. legislation," the bank said.

Lay-offs at Hoover after orders slip

BY LORNE BARLING, INDUSTRIAL STAFF

HOOVER, the domestic appliance manufacturer, yesterday laid off 1,000 workers at its plant at Merthyr, Glamorgan, for two weeks, blaming a high level of stocks and a lack of orders.

The lay-offs came on the same day as pre-tax profits of £19.2m. were announced, compared with ...9m. in 1974, although this ...or figure resulted from a prolonged strike and overall economic conditions.

The company sold a record 1m. vacuum cleaners in the U.K. last year, but much of its present output is going directly into its own warehouses.

The fall in demand for washing machines is still blamed on the 25 per cent. VAT rate imposed last April and workers from the plant are to lobby MPs to have the tax reduced. The company said that profits for last year should be compared to the £21.3m. earned in 1973.

Figures show that demand for the company's products peaked in the middle of the fourth quarter last year at 80-90 per cent. of the 1974 average and then went down to about 70 per cent. It is thought unlikely that demand will improve until the Budget, and then only if there is some VAT or hire-purchase concession.

Since retailers ended restocking towards last autumn most manufacturers have suffered a severe fall in demand. It did pick up slightly as a result of January sales, but not sufficiently to prevent cuts in output and subsequent lay-offs.

Tourism should be given Minister, says hoteliers

BY ARTHUR SANDLES

THE GOVERNMENT should recognise the importance of tourism to the U.K. economy by appointing a Minister with sole responsibility for it, says a policy document issued by the tourism committee of British Hotels, Restaurants and Caterers Association yesterday.

The chairman of British Tourist Authority should have equivalent rank to that of nationalised industry chairmen, and have overall control of national policy.

More state money should be made available for overseas promotions on top of the £50m. now spent by companies themselves.

Proposals include a much more commercial attitude towards tourism from the Government and better investment allowances for the hotel industry.

The report points out that tourism is but one of the responsibilities of the Secretary for Trade. The point is made that civil servants responsible for tourism have to familiarise themselves with a "vast and complex industry," while dealing with other industries.

The committee strongly favour setting-up a more effective central tourism body. "We believe it to be imperative that a controlling mechanism of this kind should be set up as a matter of urgency."

There might be some merit in a National Tourism Council but only if it had a limited number of members and could act decisively in situations when action was needed.

The main theme of the BHRCA representations is that the Government does not take tourism seriously and is unwilling to give the industry the encouragement it deserves.

One hotelier pointed out that one-tenth of the money spent on Chrysler could, if invested in promotion of Britain abroad, produce an instant return in foreign currency from tourism.

Vehicle registrations rise

BY LORNE BARLING, INDUSTRIAL STAFF

IN JANUARY 177,000 motor vehicles were registered in Britain, compared with 170,000 in the same month last year.

This included 132,000 private cars and vans, compared with ...00 in the same month last year and 19,000 goods vehicles (23,000). The total also included 39,000 imported vehicles.

After allowing for seasonal factors, new private car and van registrations in Great Britain in January were at a monthly rate of 115,000 compared with 87,000 in December last year.

Over the three months November-January, car and van registrations seasonally adjusted averaged 94,000 each month, compared with 101,000 each month in the previous three months.

The Society of Motor Manufacturers and Traders said yesterday that the top sellers during January were the Ford Cortina and Escort, followed by the Leyland Marina, Mini and Allegro.

...ational ...ivings

	Ap., 1975 Jan. 1976♠ R'cpts	Ap., 1975 Jan. 1976♠ Repayments	Apr. 1974 Jan. 1975 R'cpts	Apr. 1974 Jan. 1975 Repayments
	£m.	£m.	£m.	£m.
...s Cert*	515.5	364.0	288.3	309.6
...you				
...Nat. S.	31.9♠	11.2	25.2	11.1
...tanks..	16.5	7.1	19.6	6.9
...AYE ..	47.4	18.3	42.7	18.0
... B'nds	97.6	89.2♦	102.7	178.8♠
...ev B'ds / ...m B'ds	110.6	67.6	98.1	63.1
Banks:				
...ts.	466.7	501.9	436.9	463.1
...ts.....	89.0	85.5	74.5	87.6
...S.B....	546.7	587.4	511.4	550.7
...B'nks				
...ept....	2,562.6	2,673.9	2,390.6	2,346.5
...v. Dps	600.4	604.6	452.3	524.3
...tacco.	882.7	830.7	460.9	432.1
...S.B....	4,025.6	4,009.2	3,293.8	3,303.5
....	5,342.4	5,115.7‡	4,318.0	4,453.7‡
...ings...	+226.7‡		—135.7‡	
...d Int.	406.1	—	371.0	—
...Orts..	—	110.3	—	105.6
...ms SAYE	—	3.1	—	2.6
....	5,748.5	5,228.6‡	4,689.0	4,562.1‡
...n sum ...ing ...d....	+515.9†		+126.9‡	

...mated for 44 weeks. * Includes ...ked issue receipts of £229.8m.. ...payments of £1m. ♠ Includes ...ked contracts £17.2m. ♦ Includes bonds paid off on maturity. ...des £22.9m. bonds paid off on ... ‡ Includes bonds repaid on ...

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index reacts 2.52 on profit taking

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 23.

PROFIT-TAKING halted the recent advance on Wall Street today, and prices turned mildly lower following last week's boom conditions. The close was above the worst.

After reacting 6.38 to 981.42, the Dow Jones Industrial Average partially recovered to 985.28, for a net loss of 2.52. The NYSE was off 22 cents to $54.39, while declines led gains by 861-to-683. Trading was active at 31.46m. shares, although down 13.05m. from the all-time record of 44.51m. recorded last Friday.

Investors continued to appear satisfied with the outlook for improving profits, stable interest rates and abating inflation.

Hewlett-Packard dropped $6¾ to $105¾ on sharply lower first quarter profits.

Jim Walter fell $2¼ to $40⅞—it expects earnings for the six months ending February 29 to be down about 10 per cent. from the year ago level.

Harnischfeger surrendered $1⅛ to $37⅞, although it raised the quarterly dividend by one cent to 35 cents a share.

Heavily traded Firestone Tire and Rubber lost $1⅛ to $24⅛.

Ponderosa System gave way $⅞ to $12⅛—it will have a fiscal fourth quarter charge of 40 cents a share through a change in accounting method for training and advertising costs, it stated.

Eastman Kodak fell $1¼ to $110½—it plans to enter the integrated circuit field.

Northrop eased $½ to $25⅞—an Italian company owned by one of its subsidiary's made "apparently improper commission payments" of about $861,000 between 1969 and 1975.

Texas Instruments were down $1⅞ to $121¼, U.S. Steel $1¼ to $88⅛, Getty Oil $3½ to $165¼, and Sperry Rand $1¼ to $46⅞.

Technicare were lifted $4¼ to $37⅞, while Crane rose $2¼ to $75 on a raised dividend and proposed two-for-one stock split.

Merrill Lynch moved ahead $1 to $27⅞—it tentatively agreed to sell part of its Lionel D. Edie and Co. subsidiary to an employees stock ownership plan.

Ralph M. Parsons slipped $1⅛ to $24—it was named in a $30m. suit alleging errors in construction of an iron-ore processing plant in Africa.

The American SE Market Value Index rose 0.39 to 104.30, however, while advances topped declines by 467-to-368.

Buttes Gas and Oil spurted $2¼ to $28 on the discovery of "large" titanium ore reserves on its property in South Western Colorado.

Canada lower

Canadian Stock Markets were broadly lower in moderate trading yesterday, although Banks moved up after the Federal Government announced anti-inflation controls for the industry.

The Industrial Share Index shed 0.16 to 197.27, Golds 1.16 to 284.92, Base Metals 0.63 to 86.42 and Western Oils 0.46 to 225.08.

Royal Bank of Canada gained $⅝ to $31, Canadian Imperial rose $1⅛ to $28, while Bank of Montreal put on $½ to $16⅞ on higher first quarter earnings.

OTHER MARKETS

PARIS—French shares continued their advance in active trading, reflecting a report by the Paris Chamber of Commerce that industrial activity was accelerating.

All sectors improved to some degree, although there were signs of irregularity in Oils and Constructions.

American issues eased. Germans improved. Dutch shares were slightly weaker, International Oils lost some ground. Gold Mines also dipped, while Coppers gained a little ground.

BRUSSELS—Mixed to firm in active trading.

Steels were mostly lower. Electricals and Utilities narrowly mixed. Non-ferrous Metals higher. Holdings steady, Oils weakened, while Chemicals were mixed.

U.S. shares firmed, South African Gold Mines were narrowly mixed, while most Dutch, French and German issues gained ground.

AMSTERDAM—Narrowly mixed in moderate trading.

Banks, Insurances, Transportations, and Dutch Industrials, were all narrowly mixed. Deli rose Fl.3.50, Shipping Union Fls.2.30, but Van Gelder Paper Mill lost Fls.1.70.

Bonds were steady.

GERMANY—Mixed to higher in moderately active trading.

Banks remained neglected and predominantly lower, Electricals were mixed, Chemicals mostly advanced, Motors firmed, Machine Makers were mixed to higher, Steels broadly advanced, while Metals were mixed.

Minings were higher, Utilities and Stores mixed, while Breweries were lower.

Buying interest slowed for Domestic Public Bonds and prices rose selectively. Deutsche Bundesbank sold DM8m. worth of stock.

SWITZERLAND—Swiss issues generally higher.

Banks rose slightly, Insurances were mostly steady. Financials were mixed, while Chemicals declined. Other groups firmed.

Fischer advanced Frs.40 to Frs.710 on its higher turnover in 1975.

Dollar stocks firmed slightly in an active turnover. Dutch and German Internationals fluctuated narrowly.

MILAN—Higher over a broad front for the third successive session in lively late trading.

Most Bonds eased.

OSLO—Banks and Insurances were quiet, while Industrials and Shippings were steadier.

VIENNA—Quietly steady.

COPENHAGEN—Lower in very active dealings.

HONG KONG—Small gains in increased trading.

Hong Kong Bank were up 30 cents to $HK22.30, Hong Kong Land 15 cents to 8.60, Jardine 10 cents to 26.40, China Light 30 cents to 20.50 and Hong Kong and Telephone 30 cents to 20.20. But Hutchison shed 2½ cents to 2.575 and Hong Kong and Kowloon Wharf lost 10 cents to 17.30.

JOHANNESBURG—Gold shares were easier in quiet trading. Financial Minings also eased.

Coppers gave slight ground, although Minorco rose 5 cents to R2.65. Other Metals were steady. Industrials were firmer.

TOKYO—Below the best, following late profit-taking. Volume 150m. (200m.) shares.

Electricals and "large-capital" shares gained ground.

Penta Ocean Construction lost Y20 to 219, with some dealers anticipating poor results.

Foods were mixed. House Food tacked on Y30 at 1,170 and Toyo Suisan Y35 at 905, but Nisshin Food shed Y50 to 2,080 and Q.P. Corp. slid Y24 to 735.

Casio Computer climbed Y38 to 828 and Kyot Ceramic moved up Y80 to 3,940.

AUSTRALIA — Base Metals showed some strength, reflecting an upturn in commodity prices overseas. Placer Development jumped $A1.0 to 16.00, Comalco were up 5 cents to 1.60, CRA 2 cents to 2.52, MIM 4 cents to 2.20 and Robe River 2 cents to 92 cents.

Uraniums were mixed, with Pancontinental finishing 30 cents off at 12.90.

Kathleen Invest shed 3 cents to 1.42 but Queensland Mines moved up 12 cents to 2.10.

Oils showed modest improvements, with Woodside Burmah up 3 cents to 1.13.

Banks, Finances and Retailers were better.

Brewers, Foods and Motors were mixed, as were Building Materials.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000s
Feb.					
23	71.64	207.22	985.28	88.82	31,460
20	71.72	206.94	987.80	89.37	44,510
19	71.66	205.64	[illegible]	[illegible]	39,210
18	71.60	203.64	960.09	88.48	28,900
17	71.43	202.61	960.57	87.52	25,460
13	71.36	200.96	958.36	88.05	23,570
12	71.32	201.31	965.78	88.15	22,610
11	71.28	202.73	971.90	88.51	32,300
10	71.21	200.41	968.75	88.60	[illegible]
9	71.22	199.94	957.18	89.47	25,340
6	71.16	198.36	954.90	89.32	27,360
5	71.23	199.82	984.31	91.13	35,780
4	71.16	201.94	976.62	91.80	38,270
3	71.16	199.45	972.61	91.29	34,080
2	71.21	199.05	971.35	91.00	34,000
Jan.					
30	71.26	199.35	975.28	90.87	38,510

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 23	114.12	101.61
20	114.67	102.10
19	113.88	101.41
18	112.02	99.85
17	111.12	99.05
16	111.91	98.67
12	112.30	100.35

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 19	Feb. 12	Feb. 6
On Dividends	5.67	[illegible]	5.56
On Earnings	[illegible]	9.25	9.25

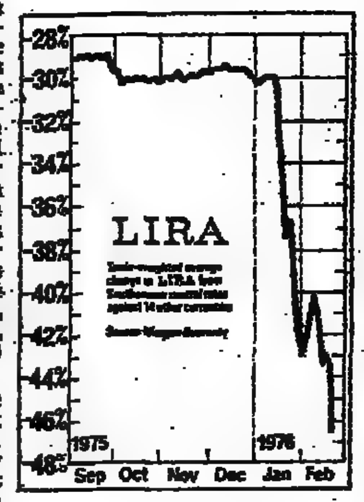
Lira declines

The Italian lira lost further ground in the foreign exchange market yesterday. Part of the fall may have been because of purchases of U.S. dollars by Italian based oil companies for regular oil revenue payments, but the lira also continues to suffer from concern over political and economic developments in Italy. The unit's trade-weighted devaluation since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York, declined to 46.81 per cent. from 44.58 per cent. on Friday. The lira has fallen by 15.89 per cent. since the Italian foreign exchange market was closed last month, and by 3.13 per cent. since a new government was formed just over a week ago. It closed at L791 against the dollar, compared with L776½ on Friday, and traded within a range of L778 to L794 during the day.

Apart from the weakness of the lira, there was little movement elsewhere, with the dollar and sterling remaining fairly steady in quiet trading. The dollar's trade-weighted depreciation, on the Morgan Guaranty basis, was calculated at 2.69 per cent. on noon rates, compared with 2.68 per cent. on Friday. Sterling's trade-weighted average depreciation, since the Washington Agreement, as calculated by the Bank of England, was unchanged throughout at 30.3 per cent.

The pound opened at $2.0230-2.0240 in terms of the dollar, and touched $2.0250-2.0260, before closing at $2.0245-2.0255, a gain of 5 points on the day.

Trading in gold remained quiet, with the metal closing unchanged at $131½-132½. The krugerrand was also unchanged at $134½-136¼ (£66¼-67¼) in both domestic and international markets, and was at a premium of 2.85 per cent. over its gold content.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 23	Feb. 20
Sterling	0.576615	0.577459
U.S. dollar	1.16759	1.16872
Belgian franc	45.6995	45.6794
Deutsche mark	2.99078	2.99017
French franc	5.22584	5.23616
Italian lira	—	—
Japanese yen	355.371	355.129
Dutch guilder	3.11396	3.11113
Swedish krone	5.11346	5.11490
Swiss franc	2.99031	2.96842

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES*

OVERSEAS SHARE INFORMATION

NEW YORK · CANADA · GERMANY · MILAN · PARIS · BRUSSELS/LUXEMBOURG · SWITZERLAND · AMSTERDAM · AUSTRALIA · JOHANNESBURG · TOKYO · SPAIN · STOCKHOLM · COPENHAGEN · VIENNA · OSLO

FARMING AND RAW MATERIALS

Wheat pact extended by 2 years

HE INTERNATIONAL Wheat greement has been extended gain for a further two years ntil end-June 1978, the International Wheat Council (IWC) id yesterday.

This was agreed at talks in ndon last week attended by legates from 34 member counes and observers from the O, GATT, UNCTAD and the orld Food Programme.

During the talks, it was ided that a progress report on new international arrangement replace the present agreement, ich was originally due to have pired on June 30, 1974 and sequently extended for two rs, should be made at a Counsession in June.

he present agreement, startfrom 1971, includes both the eat Trade and Food Aid contions.

he two-year extension must signed by eligible Governnts between March 17 and il 7.

ollowing this, a conference Governments will be held at end of June to determine ther the requirements have fulfilled for the Agreement enter fully into force on 1.

Record U.K. arm exports

Our Commodities Staff

EXPORTS of agricultural oment and produce rose by r cent., to a record £1.297m. year.

chinery accounted for 1m., against £419.4m. in

Exports of agricultural ideals rose by £36.6m. to n. while produce sales leapt 172.6m. to £497.3m.

e main part of the rise in ultural chemicals exports ccounted for by insecticides, cides, herbicides and distants which rose from n. in 1974 to £86.3m. last

e animal exports rose by in value to £53.4m., while and meat products earned m. against 71.9m. in 1974. eas sales of milk and milk cts amounted to £46.6m., 9m.

UMINIUM UTPUT UP

International Aluminium ite said its members pro 812,000 tonnes of primary lum in January, compared 811,000 in December and in January 1975, reports

rage daily production was tonnes, unchanged from ber but below the January verage of 28,600 tonnes.

Copper price advance slowed down

BY JOHN EDWARDS, COMMODITIES EDITOR

PROFIT-TAKING sales, and the early suspension of trading on the New York copper market following a bomb scare, halted what looked to be a strong advance in copper prices on the London Metal Exchange yesterday.

Encouraged by the first fall in warehouse stocks for 19 weeks, and a strong tone in the New York market on Friday night, copper prices in London rose in early trading with three months wirebars reaching £642 a tonne at one stage.

But the steam went out of the market in later trading and three months wirebars ended only £3.5 higher on Friday's close at £638.25 and cash wirebars £3 up at £619.75.

The unexpected early closure of Comex (the New York commodity exchange), because of bomb threats, undoubtedly was an influence in London since much of the recent buying interest, especially from speculators, has been generated from the U.S.

At the same time, however, many dealers were already warning that the recent rise in values would make the market vulnerable to profit-taking at the higher levels.

Nevertheless, the general undertone remains fairly "bullish" at present. The fall in warehouse stocks, down by 2,900 tonnes cutting the total holdings to 522,825 tonnes, is certainly more encouraging to the "bulls" than the steady rise since last October.

Prior to that stocks had increased for 29 weeks in succession, and it remains to be seen whether there is a definite change in the direction of stocks or whether the decline is a "one wek wonder" as happened in October.

Suggestion

Much may depend on the situation in Africa, and whether exports from Zambia and Zaire can be restored to more normal levels following the virtual end of the Angolan war.

The suggestion is that it will be some time before copper shipments can be carried on the Benguela railway, even if political differences can be resolved.

Meanwhile the other equally potent influence in the market are the prospects for better demand as a result of improved business.

Fresh rumours of a possible rise in U.S. domestic activity, particularly in the U.S. producer price of copper, were triggered off by Copper Range announcing it had switched back from basing its domestic prices on Comex quotations to an established price of 63 cents a lb, in line with other U.S. copper producers.

A bigger than expected rise in tin stocks, up by 170 tonnes to a total of 7,340 tonnes, halted the upward trend in tin prices too. Standard grade cash tin lost £3.5 to £3,251 a tonne, after rising by over £50 on Friday.

Although the Straits tin price in Penang ended the week-end nearly $M7 higher at over $M1,012 a picul it did fall back from over $M1,020 reached on Saturday. This downturn, coupled with the stocks rising by more than double market forecasts, encouraged profit-taking. But again the undertone remains firm for the present at least.

A fall of 875 tonnes to 87,800 tonnes in lead stocks was a bigger decline than anticipated and helped to maintain the upward trend in prices, especially as there was continued trade buying interest. As expected zinc stocks rose by 800 to 46,000 tonnes. LME silver holdings fell by 60,000 to 15,510,000 ounces.

Dairy fears on 'tied' cottage ban

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

DAIRY FARMERS in the eastern, south-eastern and southern regions of England are convinced that the abolition of the "tied cottage" proposed by the Government would mean a marked reduction in the output of milk unless accommodation could be provided for dairy workers within fairly close proximity to their farms.

Those in the west and north-west areas of England and Wales would not be so badly affected because farming there relies to a much greater extent on family labour.

This is the result of a survey into dairy farmers' attitudes to the abolition of "tied" accommodation carried out by Miss Ruth Gasson of the Department of Land Economy at Cambridge University.

The greatest anxiety was found among the owners of large herds in the south-east because they were almost entirely dependent on hired labour. Owners of these herds also claimed that it was essential for a substantial proportion of their workers to live near their premises so that they could be at hand for emergencies.

In these areas some 60 per cent. of all milk production is dependent on workers in "tied" accommodation but in the far west only about one-fifth of the milk is so dependent. About 75 per cent. of all dairy workers live in "tied" housing and produce some 30 per cent. of overall milk production.

According to the survey about 10 per cent. of all dairy workers leave their job every year. Most workers, however, remain in the dairy industry, leaving only in order to seek other jobs in dairying with service housing. There is a high degree of mobility among dairy workers who feel it is much more of a career than other forms of farm work.

The situation in the south-east is aggravated because there is an acute housing shortage generally. Elsewhere, particularly in the west of England the pressures on housing do not seem to be so great.

Floods hit sheep herds

SYDNEY, Feb. 23.

IT IS not yet possible to estimate the number of sheep lost in floods in north-western New South Wales and south-western Queensland, reports Reuter. But wool trade and Agriculture Department sources said the number will run into many thousands.

They discounted London trade reports that the losses will exceed the 10m. sheep lost in the more widespread floods in 1950 and said they will not remotely approach this figure.

In Moree, north-western New South Wales, the Stock Agents Association President, Mr. Bruce Tapscott, said losses in the surrounding district could be as high as 75 per cent. on the worst-effected properties.

One property had a total loss of its 15,000 head flock. Fodder is being air-dropped at the rate of 2,000 bales a day to surviving flocks still flood-bound.

Downturn in cocoa market

By Our Commodities Staff

COCOA PRICES on the London terminal market declined sharply yesterday and the May position closed £10.75 lower at £737.75 a tonne.

But with no significant fundamental factor in evidence and in view of the fairly low volume traded, dealers were inclined to see the fall as an adjustment after the recent sharp rise. They think the underlying tone might still be mildly "bullish."

Purchase of Ghana main crop cocoa for the 21st week of the season (ended February 19) were estimated by the Ghana Cocoa Marketing Board at 3,736 tons bringing the total so far to 378,041 tons against 358,499 after 21 weeks last year.

● Brazil's Central Bank is finalising a plan to allow coffee export firms to trade on international coffee markets, Sr. Camillo Calazans, president of the Brazilian Coffee Institute (IBC) said.

Ceiling raised on brucellosis compensation

SHARP RISES in the maximum compensation payable for cattle slaughtered under the Government's brucellosis and tuberculosis eradication scheme will take effect from to-morrow.

In a written answer to a Parliamentary question, Mr. Gavin Strang, Parliamentary Secretary for Agriculture, said yesterday that maximum compensation on non-accredited cattle would go up from £240 to £400 per head (based on 100 per cent. of market value) while that for accredited animals would rise from £180 to £300 (based on 75 per cent. of market value).

The present maximum rates were set in 1972 and the rises are designed to take account of the sharp increase in live cattle prices since then.

Brazil not for producer cartels

BRASILIA, Feb. 23.

BRAZIL HAS told U.S. Secretary of State, Dr. Henry Kissinger, that it has decided not to join international producers cartels, according to U.S. officials.

Although the decision mainly affects iron ore, in two or three years' time it will also keep Brazil out of the bauxite producers' agreement.

Brazil exports 8m. tons of iron ore a year to the U.S., 16 per cent. of U.S. imports.

GRAIN SUPPLIES

Bumper crop problem for Bangladesh

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

FOR THE first time for many a long year Bangladesh to-day faces an immediate problem of food glut rather than food shortage. "The monsoon was so good that they have got rice almost coming out of their ears," said one foreign food expert.

Bangladesh has certainly got more food than the regular storage depots can cope with. So, existing grain stores are being filled above the normal safe capacity, jute godowns are being used, and in some places the best cover that can be managed is simple tarpaulin sheets.

The Food Ministry in Dacca, however, quite rightly takes a cautious view about the good aman (monsoon) crop. It points out that Bangladesh is still some way from self-sufficiency and will need between 1.2m. and 1.5m. tons of foodgrain imports — and more if either of the other rice crops is hit by flood or drought or other natural disaster as frequently happens.

Officials are cautious even in estimating the size of the aman crop. They told me: "It will not be smaller and it may well be larger than our original estimate of 7m. tons."

Wastage

If the Ministry is right, and if the aman turns out to be about 7m. tons, and if then the two other rice crops, the boro (spring) and aus (summer) turn out on target at 2.7m. and 2.9m. tons respectively, Bangladesh would then have produced 12.6m. tons of foodgrain in the year.

Allowing for wastage and for seed, net grain production would be 11.4m. tons or about 1.3m. tons short of consumption needs, and slightly more than that would need to be imported to start building a buffer stock.

Some specialists would quarrel with the official figures, for example by arguing that the aman crop is 7.5m. tons at least. Indeed, many economist and statistician man-hours have been spent quibbling over estimating Bangladesh's real foodgrain consumption.

It is a fruitless task because no one is sure exactly what the population is—though it is somewhere between 75m. and 80m. The experts usually end up by calculating that at 15.6 ounces of foodgrain per head per day, the foodgrain needs are 11.91m. tons if the population is 75m. and 12.71m. tons if there are 80m. people.

How far even such a calculation helps the planners, the foodgrain importers or exporters, still less the hungry Bengali may be doubted. The distribution of food is highly unequal and the average Bengali probably does not get 15.6 ounces a day (hardly a fattening diet).

What can be said with certainty is that the monsoon was good and the main aman crop is a bumper one. The price of paddy has come plummeting down from taka 300 (£10) a maund (82.2 lbs) a year ago to about the official procurement price of taka 74 a maund (equivalent to the 120 per maund of white rice). In some places the market price is below the Government procurement price.

The good harvest has strained storage capacity, and for that reason the Government has stopped its procurement drive. Out in the countryside, the people readily say that they have had a good harvest and almost all look well-fed.

By the autumn, though the home-grown food resources of Bangladesh will once more be under pressure as there is no way in which even the combined boro and aus crops can match the size of the aman.

What is encouraging is that the Government is beginning to deal with some of the longer-term problems which have so far prevented Bangladesh from getting within sight of foodgrain self-sufficiency.

Complaint

It has launched a crash programme to repair about 200,000 tons of grain storage capacity, about one-fifth of Bangladesh's total capacity, which were damaged.

It has raised the ration prices of wheat and rice by about 50 per cent. Foreign aid donors had long complained that the subsidised ration prices of grain for city dwellers were merely a donation from the Government to the well-to-do. The Government, probably optimistically, this month also launched a campaign to persuade the well-off to surrender their ration cards and it claims some success.

In the countryside the Government has started a self-reliance programme, one object will be for villages and communities to make better use of existing facilities by sharing them. One of the problems of Bangladesh agriculture is that the rich men or the well-connected have tended to grab the benefits of new facilities for themselves.

If—and it is an optimistic if—the self-reliance campaign can succeed and if the country can make full use of existing new technology through new seed and fertiliser, then food self-sufficiency should be attainable.

At the moment the average yield is only 15 maunds per acre, though that is an improvement on the 9.6 maunds which was the average for 1947-48. But in some places in Bangladesh 100 maunds have been obtained. Most experts think that an average of 40 for the whole country should be within reach.

Drought cuts Malaysian palm oil crop

WASHINGTON, Feb. 23.

SEVERAL MAJOR producers and at least one leading dealer in Malaysia believe the impact of the Malaysian drought on production and price of palm oil will be relatively shortlived, reports Reuter.

But instead of a 20 per cent. increase originally predicted in 1976 production, their forecasts now range from an increase of no more than about 8 per cent. to an unchanged or even slightly lower output than last year.

Mr. K. K. Sharma, acknowledged as the largest palm oil dealer in Malaysia, reports that so far this year mill production has been reduced only 5 to 6 per cent. because of water shortages.

However, Mr. Sharma, whose views were echoed by senior officials of several major palm oil plantations in Malaysia, predicted the drought impact on palm fruit production will be felt between three and nine months from now.

OMMODITY MARKET REPORTS AND PRICES

SE METALS

ER—Higher again on the London Exchange. Prices moved ahead in tel dealings on anticipations of a n in warehouse stocks for the first ce last October and reflecting the in the U.S. on Friday. Forward aded up to £642 but then eased to profit taking following the news ehouse stocks had in fact fallen.

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
	623-.5	+8.5	619.5-20	+3
	641-.5	+8.5	638-.5	+3.5
	623.5	+8.5	—	......
	614.5-5	+8	611.5-2.5	+3.75
	632-3	+8.75	629-.5	+4.75
	615	+8	—	......

before fresh influential demand from one quarter pushed the price back up to £642. In the afternoon, however, values tended to ease in the absence of any lead from Comex the opening of which was again delayed owing to a bomb scare. Turnover 29,773 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £622, 22.50, 23, three months £638, 37, 36.50, 37, 37.50, 38, 38.50, 39, 40, 40.50, 41. Cathodes, cash, £614.50, 15, three months, £632, 33. Kerb: Wirebars, cash, £623, three months, £641, 41.50, 42, 41.50. Afternoon: Wirebars, cash, untraded, mid-May, £637, three months, £640, 39, 39.50, 39. Kerb: Wirebars, three months, £639, 38.50, 38, 37.50.

TIN—Marginally easier owing to profit-taking following the fall in the Penang price which had risen sharply on Saturday, coupled with a larger than expected rise in warehouse stocks. Turnover 815 tonnes.

Morning: Standard, cash, £3,265, three [illegible]

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3305-20	-27.5	3300-20	-5
3 months	3340-50	-16	3335-55	-16
Settlem't	3320	-46	—	......
Standard				
Cash	3253-5	-15.5	3250-2	-3.5
3 months	3329-5	-1.2	3320-2	-3.4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

LEAD—[illegible]

ZINC—[illegible]

SILVER

[illegible]

COCOA

[illegible]

FREIGHTS

[illegible]

COFFEE

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

JUTE

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Feb. 23 1976	+ or —	Month ago
Metals			
Aluminium	£420	......	£420
[illegible]	[illegible]	[illegible]	£540-560
[illegible]	[illegible]	[illegible]	£574.75
[illegible]	[illegible]	[illegible]	£594.25
[illegible]	[illegible]	[illegible]	£564.25
[illegible]	[illegible]	[illegible]	£582.5
[illegible]	[illegible]	[illegible]	$125.5
[illegible]	[illegible]	[illegible]	£163.25
[illegible]	[illegible]	[illegible]	£170-185
[illegible]	[illegible]	[illegible]	£2,421
[illegible]	[illegible]	[illegible]	$1.9-2.05
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	£68.6
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	£3,062
[illegible]	[illegible]	[illegible]	£3,131.5
[illegible]	[illegible]	[illegible]	£44.45
[illegible]	[illegible]	[illegible]	£340.25
[illegible]	[illegible]	[illegible]	£350.025
[illegible]	[illegible]	[illegible]	$795
Oils			
[illegible]	[illegible]	[illegible]	£402
[illegible]	[illegible]	[illegible]	£382
[illegible]	[illegible]	[illegible]	£176
Seeds			
[illegible]	[illegible]	[illegible]	$200
[illegible]	[illegible]	[illegible]	£195
Grains			
[illegible]	[illegible]	[illegible]	[illegible]
Wool [illegible]	56.85	......	65.7
Jute L.J.A BWC	£195.5	......	£195
Rubber kilo	41.5p	......	37.5p
Sisal EA3L	$600	......	$600*
Sugar (Raw)	£159	-1.0	£160
Wooltops 64s. kilo	215p	......	217p
Cloves Madagascar	£2,550	......	£2,550
Pepper White ton	£925	......	£960
Black ton	£730	-15.0	£770

* Nominal. † Seller. ‡ Unofficial close. & Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C". ‡ Unquoted. a Seller's quotation. k Jan.-March. s Metric tons. r Sept.

FINANCIAL TIMES

Feb. 23	Feb. 20	Month ago	Year ago
183.30	182.94	172.82	172.47

(Base: July 1, 1952=100)

REUTER'S

Feb. 23	Feb. 20	Month ago	Year ago
1255.5	1252.6	1196.4	1090.0

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Feb. 23	Feb. 20	Month Ago	Year ago
Spot	311.75	309.70	294.00	323.30
Futures	308.23	304.49	287.16	295.62

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 23	Feb. 20	Month ago	Year ag
Staple Commodity	784.7	782.5	756.8	757.0

(December 31, 1931=100)

LIVERPOOL COTTON. Spot and [illegible]

U.S. Markets

Bomb scare hits Comex trading

NEW YORK, Feb. 23.

COMMODITY EXCHANGE Inc. closed for the day soon after the opening because of a bomb scare. After initial rally on trade buying, coffee finished near the lows on good Commission House profit-taking. Sugar closed higher on scattered buying on reports of an agreement between a U.S. refiner and a sugar producing country. Wheat closed steady on continued insufficient moisture, Bache reports.

Cocoa—Ghana spot 7[illegible] (76[illegible]). Bahia spot 70[illegible] (71[illegible]). March 69.20 (70.10). May 66.00 (66.70). July 62.35. Sept. 61.31. Dec. 58.70. March 57.20. May 56.35. July unquoted. Sales 795.

Coffee—Spot Santos No. 4 Unquoted (Unquoted). Colombian Mams 106.75 (106.00 nom.). "C" Contract: March 95.40-95.30 (99.14). May 96.65-96.55 (96.75). July 95.05. Sept. 95.55-96.75. Dec. 96.40. Sales 314.

Copper—Feb. 56.30 (58.40). March 58.30 (58.40). April 58.90. May 59.40. July 60.30. Sales 690 lots.

Cotton—March 61.00-61.15 (61.15). May 62.00-62.50 (62.17). July 62.40-62.50. Oct. 60.90-61.15. Dec. 59.00-59.20. March 59.35-59.50. May 59.70-59.90. July 59.90-60.10 [illegible]

[illegible]

STOCK EXCHANGE REPORT

Widespread advance helped by revival in gilt-edged

Share index up 8.3 at 400.2—Hoover good on results

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16
Mar. 8	Mar. 18	Mar. 19	Mar. 30

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A good revival in British Funds provided a springboard for a sharp advance in equities yesterday after last Friday's reaction in response to the Government's White Paper on expenditure.

Although not particularly inspiring, week-end Press comment on the U.K. money supply figures and the outlook for short-term U.S. interest rates helped sentiment in Gilts. After a cautious start, short-dated stocks encountered institutional demand and, after a brisk trade, closed at the day's best with rises ranging to ⅜. Long-dated issues were by no means left out of the picture, but activity here was on a smaller scale. Nevertheless, demand found sellers reticent and final quotations were up to ⅝ better, with the emphasis on high coupon issues. The long "tap" Treasury, 12¾ per cent. 1993, 'A', was adjusted 1¼ lower to what was considered a more realistic level of 94. The Government securities index rose 0.36 to 63.17.

The volume of trade in the equity leaders continued to be rather disappointing — official markings of 6,900 were the lowest so far this year for a Monday—but sporadic institutional support at the start of a new Account saw prices respond quickly. Best levels, however, were not fully held and the FT 30-share index, which touched its highest at 2 p.m. with a gain of 10.6, closed 8.3 up on balance at 400.2. Apart from the good performance by Gilts, the recent strong advance on Wall Street was an additional fillip.

Gains were fairly widespread in secondary issues, with Hoover 'A.' up 15 at 340p on the better-than-expected results, providing one of the day's more noteworthy features. Rises led falls by 9-2 in FT-quoted Industrials, while the FT-Actuaries All-Share index gained 2.0 per cent. to 166.21.

A steady volume of small selling orders found the investment currency market in unreceptive mood and the premium moved consistently lower to close 3⅝ down at 102¾ per cent. Yesterday's SE conversion factor was 0.6316 (0.6265).

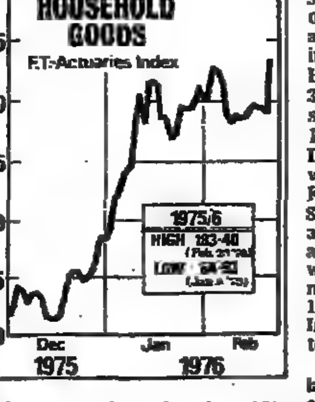
Nat. West better

Firmer home Banks were featured by National Westminster, which rose 10 to 260p in front of to-day's preliminary results. Lloyds put on 9 to 255p xd and Midland (results due Friday) added 7 at 305p. Barclays closed 5 up at 310p. Overseas issues were better in places, with Australia and New Zealand and Hong Kong and Shanghai both 5 dearer at 403p and 350p respectively. Among Discounts, Alexanders eased 5 to 225p on the chairman's cautious statement, but higher first-half earnings left Anglo-Continental 3 better at 53p in Merchant Banks.

Insurance Composites, aided by Press comment, opened the new Account in fine style, even though the volume of business left much to be desired. "Royals" (results due next Monday) fared best at 320p, up 10, while Phoenix put on 8 to 220p and Sun Alliance 7 to 432p. General Accident added 5 at 172p and Commercial Union and Eagle Star both improved 4 to the common level of 134p. Among Brokers, Alexander Howden, which are currently in merger negotiations with Maurice Tozer and Beck, edged up a penny to 127p: the results are due Thursday.

Breweries contributed to the firm market trend: down 6½ last week on the profits warning, Allied rallied 2 to 69p, while Arthur Guinness closed 4 to the good at 188p. Elsewhere, Distillers put on 2 to 145p.

R. Costain featured Buildings, rising 6 to 224p on fresh speculative interest: sentiment was helped by the increasing workload from the company's joint venture with Taylor Woodrow (2 harder at 290p) on Dubai's dry dock. Tarmac, at 174p, recouped 6 of Friday's loss of 10, while gains of around 5 were recorded by John Laing "A." 105p, Marley, 104p, and AP Cement, 176p. Montague L. Meyer were called a penny firmer at 70p ex the "rights" issue, while the new nil-paid shares opened at 15½p



premium and closed 16½p premium following a fair turnover.

HAT were also quoted ex the "rights" issue at 40p, while the new nil-paid shares opened and closed at 8½p premium after a light trade.

Press comment directed fresh attention to ICI, which improved 6 to 382p ex dividend. Fisons rose 8 to 390p, while Albright and Wilson, 92p, and Laporte, 91p, put on 4 and 5 respectively.

Electrical leaders looked considerably brighter, with Reyrolle Parsons, on renewed investment demand, closing 6 to the good at 124p, and GEC adding 5 at 151p. Favourable Press comment on the company's earnings prospects left Thorn Electrical 6 higher at 254p, after 256p, while EMI ended 5 better at 246p, after 248p, following a Press revelation that the latter had been holding merger discussions, which had proved abortive, with Thorn. Plessey put on 3 to 79p, but Philips' Lamp lacked buying interest and wilted 3/16 to £10¼. Elsewhere, BSR, with annual results expected shortly, rose 6 to 121p, M.K. Electric, 81p, and Ultra Electronic, 64p, added 3 apiece, while Unitech finished a shade better ex the 100 per cent. scrip issue at 51p.

Stores shrugged aside the Treasury's recent warning of a bleak outlook for consumer spending and closed widely better following a reasonable turnover. British Home Stores were raised 5 to 357p, while gains of 4 were scored by Marks and Spencer, 104p, and "Gussies" 'A', 212p, Debenhams moved up 3 to 94p, while F. W. Woolworth (ahead of Friday's results) edged up 2 to 80p. Awaiting to-day's preliminary statement, Spirella rose 3½ to a 1975-76 peak of 85p. Wearwell were lifted 3 to 26p. Shoes were noteworthy for a rise of 3 to a 1975-76 peak of 46p in Footwear Industry Investments on the interim figures.

Tube Investments were particularly good among leading Engineerings, rising 10 to 334p, while Hawker, 412p, and GKN, 308p, both put on 6. Vickers, the subject of week-end Press comment, rose 5 to 167p. East Sussex jumped 8 to 30½p following news of the 30.03125p cash bid from Aurora, unchanged at 58p. Comp-Air recovered 5 to 79p, while similar improvements were made by Expanded Metal, 79p, and Herbert Morris, 92p xd. In a thin market, R. Cartwright were raised 6 to 41p, APV moved up 8 to 258p and D. F. Bevan gained 3½ more to 18½p, the last-named still on newspaper mention. Neepsend rallied 2 to 48p after Friday's fall of 8 on the disappointing half-yearly statement. All ex the respective "rights" issues yesterday, Edgar Allen Balfour closed at 72p with the new nil-paid shares at 12p premium; Braham Millar were 34p and the new shares 6p premium and Tecalemit 32p and the new at 9½p premium.

Foods were firm in an improved business. Tate and Lyle were marked up 5 to 267p xd on the chairman's statement on the prospects of the newly-formed engineering subsidiary. Associated Dairies were active and 8 higher at 212p, while Cavenham hardened 3 to 127p, and gains of 2 were scored by RHM, 30½p, and Fitch Lovell, 68p. Joseph Stocks improved 15 to 115p in a thin market in response to the interim statement. In Supermarkets, Tesco hardened 2 to 39p with the help of Press comment. Kwik Save Discount were also popular at 122p, up 5.

Ladbroke moved up 6 to 110p in Hotels and Caterers, where Grand Metropolitan hardened 3 to 83p and J. Lyons "A" moved up 4 to 152p.

Hoover please

There was a revival of buying interest in the miscellaneous industrial leaders, although closing levels were a little below the day's best. Unilever recorded a recovery of 8 at 440p, after 442p, awaiting the annual results, due March 2. Beecham, 355p, after 357p, Glaxo, 367p, and Metal Box, 286p, all rose 7, while Turner and Newall (which will be traded in ex "rights" form this morning) added 4 at 155p and Bowater finished 3 harder at 181p, after 183p. Elsewhere, Hoover "A" advanced 15 to 340p, displaying satisfaction with the better-than-expected preliminary results, while favourable Press comment prompted Gomme Holdings to move ahead 10 to 104p. Also on Press mention, Berwick Timpo put on 4½ to 36p xd and De La Rue added 3 at 237p. Johnson Matthey, in front of to-morrow's third-quarter figures, gained 5 at 340p, while Madame Tussaud's, with annual figures expected Thursday, firmed 1½ to 19p. Foseco Minsep were notably higher at 198p, up 11, and Hanson Trust gained 5 at 139p, while gains of 4 were secured by Harris Lebus, 54p, International Computers, 113p, Trafalgar House, 104p, and Staflex International, 55p. Evode put on 2 to 60p ahead of Friday's annual figures.

Motors and Distributors joined in the general market upturn. Dunlop stood out at 82p, up 5, following Press comment, while Lucas were finally 3 better at 218p, after 220p, and Dowty finished 4 to the good at 139p. Group Lotus were noteworthy for a rise of 3 to 29p. Commercial Vehicles also made headway, York Trailer closing 2 firmer at 28p and ERF 3 better at 36p. BSG continued to make progress in Garages, rising 2½ more to 23½p. Other notable gains included Lex Service, 2 up at 35½p, and Henlys, 3 higher at 83p.

Reports of State aid made little noticeable impact on the Paper/Printing sector, although the leaders did close harder. British Printing gained 2 to 49p and DRG were similarly dearer at 130p. In contrasting vein, Newspapers had outstanding features in United, up 12 at 272p, after a fresh peak for 1975-76 of 275p, and News International, which rose 7 to 165p; Home Counties picked up 4 to 31p and Morgan Grampian, in Publishers, advanced a like amount to 83p.

Oils follow upturn

Oils reflected the general upturn and in a moderate trade established gains to 7. British Petroleum were that much higher at 390p, while Shell, 386p, after 388p, and Ultramar, 178p, gained 6 apiece. Royal Dutch contrasted with a fall of ½ to £34½ on the lower investment currency premium. Burmah put on 2 to 49p and LASMO/SCOT rallied 5 to 175p, but Canadians also succumbed to investment dollar influences and Pan Ocean fell 40 to 945p, while Sunningdale lost 25 to 655p.

Press comment helped to stimulate interest in Properties, where the leaders encountered a reasonable demand and retrievd a good portion of last week's losses. Land Securities, 184p, and MEPC, 84p, secured rises of 5 apiece, while English Property, 64½p, and British Land, 36½p, both ended about 3 better. Town and City Properties put on 2 to 22½p awaiting Friday's half-year results. Elsewhere, Apex Properties followed a Press recommendation with an improvement of 4 to 118p. Hammerson "A." 385p, Berkeley Hambro, 130p, Stock Conversion, 167p, and Great Portland Estates, 242p, all showed gains of around 6. Argyle Securities, after hardening to 46½p, came back on news of another first-half loss to 45½p, just a fraction up on the day.

Overseas Traders closed better for choice, with Sime Darby, 122p, and Inchcape, 398p, recording gains of about 5 apiece. Booker McConnell improved 4 to 138p, helped by Press comment regarding the intended nationalisation of the company's Guyanan assets. Paterson Zochonis "A" contrasted with a loss of 10 to 390p, while Harrisons and Crosfield fell 13 to 987p.

Favourable week-end Press comment drew buyers' attention to Estates House Investments, which rose 4 to 225p, while a small demand ahead of Friday's preliminary results left Smith Bros. a similar amount better at 64p. Dalgety, up 6 at 261p, continued to draw strength from a recent broker's circular. Lampe Securities returned to favour at 116p, up 8.

Up 10 last Friday on the counter-bid from European Ferries, Felixstowe Dock turned easier in Shippings, losing 5 to 155p. A "sell" recommendation left Common Brothers 4 off at 88p, but Furness Withy revived with a gain of 8 to 213p. P & O Deferred rallied slightly to close 1½ better at 97p xd.

Textiles firmed throughout the list. Courtaulds touched 163p before closing a net 4 better at 161p, while Nottingham Manufacturing ended 2 dearer at 68p, the latter ahead of to-day's preliminary results. Textured Jersey (interim figures due Thursday) hardened 3 to 23p, while similar improvements were seen in Coats Patons, 67½p, and Youghal Carpets, 86p. Bond Worth came to rest 1½ up at 55½p following the increased first-half profits. Bats fared best among the Tobacco majors, rising 7 to 353p. Imps were a shade off at 78p xd.

Guthrie featured quiet Plantations with a rise of 6 to 184p.

Demand for RTZ

A feature in mining share markets was the strong institutional and general demand for Rio Tinto-Zinc, the shares of which rose 9 to 195p. A further factor in this was, of course, the fresh rise in copper and this helped Selection Trust, another finance company with the major part of its assets outside Southern Africa, which gained 15 to 495p.

Shares of the South African-based Finance Houses, however, tended to lose ground in line with the fall in the investment currency premium and reflected continued nervousness over the political situation in southern Africa. Anglo American dropped 10 to a 1975-76 low of 295p; the company's annual results are due any day now.

De Beers, a weak market of late, continued to suffer from persistent selling, losing 12 to 258p.

South African Gold shares continued to mark time in thin trading with small selling pressure in the upper half following an initial modest fall in the bullion price which was, however, unchanged at $131.75 per ounce. The Gold Mines index gave up a further 1.2 to 193.3 its lowest level since December 27, 1973.

Australians were generally firmer in line with overnight domestic markets. Although the fall in the investment premium dampened interest here, MIM Holdings gained 5 to 217p reflecting the rise in the copper price and Press comment, while BH South were unchanged at 172p following the phasing out of the latter's loss-making Kanmantoo copper mine in South Australia.

Tins were marked up in line with the recent strength of the metal price. Ayer Hitam rose 5 to 190p.

Elsewhere, Barymin advanced 3 to 44p on speculative buying.

FINANCIAL TIMES STOCK INDICES

	Feb. 23	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16
Government Secs.	63.17	62.81	63.25	63.61	63.62	63.40
Fixed Interest	62.89	62.78	63.12	63.23	63.14	62.91
Industrial Ordinary	400.2	391.9	396.7	397.9	403.5	400.2
Gold Mines	193.3	196.5	195.9	198.9	198.6	205.9
Ord. Div. Yield %	5.22	5.32	5.27	5.25	5.19	5.25
Earnings Y'ld % (full) (a)	15.11	15.40	15.32	15.29	15.11	15.22
P/E Ratio (net) (a) (b)	9.75	9.55	9.61	9.64	9.76	9.68
Dealings marked	6,900	6,510	5,757	5,750	6,120	7,340
Equity turnover £m	—	65.95	66.57	56.29	67.06	54.74
Equity bargains total	—	16,928	15,432	14,961	15,105	15,540

10 a.m. 394.1. 11 a.m. 396.6. Noon 398.6. 1 p.m. 401.6. 2 p.m. 402.5. 3 p.m. 401.6.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.86.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)

S.E. ACTIVITY

RISES AND FALLS YESTERDAY

British Funds; Corpns. Dom. and Foreign Bonds; Industrials; Financial and Prop.; Oils; Plantations; Mines; Recent Issues; Total

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)	Mon. Feb. 23, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Friday Feb. 20 Index No.	Thurs. Feb. 19 Index No.	Wed. Feb. 18 Index No.	Tuesday Feb. 17 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (178)	149.89	+2.5	15.42	5.69	9.81	9.81	146.28	149.42	150.24	149.82	95.15
2	Building Materials (29)	141.69	+2.3	12.06	6.11	12.84	12.83	138.49	142.51	143.58	143.30	86.61
3	Contracting, Construction (23)	252.37	+1.9	15.08	4.21	10.56	10.36	228.17	232.39	235.46	235.92	166.17
4	Electricals (16)	265.64	+4.0	16.55	4.52	8.85	8.86	253.52	260.78	261.31	260.75	175.71
5	Engineering (Heavy) (13)	170.46	+3.1	16.18	5.98	8.48	8.48	165.39	169.53	170.16	170.55	113.97
6	Engineering (General) (65)	136.02	+1.8	16.31	[illegible]	9.20	9.19	133.62	136.82	136.49	136.64	91.54
7	Machine and Other Tools (9)	56.80	+2.2	14.86	6.59	12.12	12.12	55.56	56.19	56.57	56.84	33.75
8	Miscellaneous (25)	131.18	+1.8	15.76	6.40	9.65	9.65	128.80	129.84	130.76	130.49	86.20
9	CONSUMER GOODS (DURABLE) (56)	134.25	+2.9	15.85	4.66	10.92	10.90	130.40	132.46	135.12	133.01	87.19
10	Electronics, Radio TV etc. (15)	151.55	+3.4	12.61	3.55	11.87	11.86	146.53	149.77	150.45	149.54	78.97
11	Household Goods (14)	183.40	+2.4	13.46	6.02	10.95	10.92	179.08	179.42	179.60	179.85	109.42
12	Motors and Distributors (27)	79.57	+2.4	16.97	5.90	9.64	9.64	77.50	78.23	78.85	79.34	35.67
13	CONSUMER GOODS (NON-DURABLE) (169)	156.67	+2.1	15.37	5.62	11.07	10.96	153.40	155.67	157.01	157.27	109.59
14	Breweries (15)	168.02	+2.2	15.46	6.42	11.17	11.17	164.39	167.64	170.72	171.50	128.99
15	Wines and Spirits (7)	178.11	+1.5	14.59	5.66	14.60	14.60	175.84	179.41	180.48	181.02	128.05
16	Entertainment, Catering (16)	201.65	+2.9	11.04	6.05	14.49	15.82	195.79	199.39	201.85	201.19	104.85
17	Food Manufacturing (22)	166.07	+2.1	12.90	4.99	10.91	10.84	162.69	165.52	165.85	166.51	112.68
18	Food Retailing (16)	141.65	+2.0	11.45	4.80	12.70	12.70	138.84	139.47	139.61	139.57	107.08
19	Newspapers, Publishing (15)	180.26	+1.4	12.52	5.61	11.99	11.99	177.82	179.44	179.51	179.36	106.35
20	Packaging and Paper (13)	109.99	+1.7	20.10	6.94	7.40	7.41	108.18	109.13	108.93	108.30	78.46
21	Stores (33)	135.62	+2.6	11.22	5.06	13.59	13.57	130.24	132.24	133.66	133.44	97.37
22	Textiles (22)	177.54	+4.0	16.41	6.08	9.60	9.01	170.67	174.47	175.66	177.99	105.66
23	Tobaccos (3)	219.70	—0.4	19.86	6.46	7.68	7.68	219.81	221.51	224.28	224.59	152.96
24	Toys and Games (6)	[illegible]	[illegible]	20.65	6.08	6.75	6.75	64.84	64.80	64.52	64.54	36.15
	OTHER GROUPS (94)											
25	Chemicals (24)	217.46	+1.2	12.05	4.96	11.46	11.48	215.51	216.32	215.56	215.55	126.66
26	Office Equipment (10)	88.06	+1.7	18.11	[illegible]	10.02	10.02	86.60	87.56	88.04	87.63	90.27
27	Shipping (12)	385.88	+0.7	18.84	5.46	6.79	6.82	380.74	383.59	386.11	400.60	299.47
28	Miscellaneous (48)	167.09	+1.8	14.10	6.38	10.48	10.44	164.13	166.56	167.39	167.02	108.97
29	INDUSTRIAL GROUP (496)	159.31	+2.1	13.88	5.46	10.60	10.54	156.01	158.49	159.38	159.45	105.38
30	OILS (4)	356.77	+1.4	14.94	4.78	7.47	6.69	352.13	352.99	353.03	353.90	203.94
31	500 SHARE INDEX	174.21	+2.0	14.03	5.38	9.98	9.71	170.77	173.16	173.99	174.12	113.76
32	FINANCIAL GROUP (100)	142.86	+2.3	—	4.96	—	—	139.59	141.96	142.53	142.93	103.92
33	Banks (6)	174.72	+2.4	16.01	4.86	9.67	9.67	170.64	170.99	170.67	172.44	111.78
34	Discount Houses (10)	179.79	—0.4	—	6.84	—	—	180.50	181.97	181.97	178.65	159.09
35	Hire Purchase (5)	123.88	+2.0	—	5.09	—	—	121.47	123.51	123.31	123.58	98.02
36	Insurance (Life) (9)	124.75	+1.5	—	5.46	—	—	122.92	124.94	124.98	125.23	92.52
37	Insurance (Composite) (7)	109.83	+3.0	—	6.26	—	—	106.61	109.82	110.54	110.59	73.29
38	Insurance (Brokers) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Merchant Banks (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	Miscellaneous (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	ALL-SHARE INDEX (650)	166.21	+2.0	—	[illegible]	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	COMMODITY GROUPS (Not included in 500 or All-Share indices)											
44	Rubbers (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Teas (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
48	Tins (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	Overseas Traders (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	FIXED INTEREST	Monday, Feb. 23 Index No.	Yield %	Friday Feb. 20	Thurs. Feb. 19	Wed. Feb. 18	Tues. Feb. 17	Monday Feb. 16	Friday Feb. 13	Thurs. Feb. 12	Year ago (approx.)
1	Consols 2½% yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	20-yr. Govt. Stocks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	15	382xd	+6	387	118
Shell Transport	25p	15	386	+6	404	118
"Bats"	25p	14	353	+7	377	164
Grand Met.	50p	13	83	+3	88	17½
RTZ	25p	13	195	+9	211	80
GEC	25p	12	151	+5	162	51
Reyrolle Parsons	£1	12	124	+6	124	21
Barclays Bank	£1	11	319	+5	250	112
Beecham	25p	11	355	+7	359	116
BP	£1	11	390	+7	615	190
Marks & Spencer	25p	11	104	+4	128	47½
P. & O. Defd.	£1	11	97xd	+1½	126	59½
Burmah Oil	£1	10	49	+2	100	27
Courtaulds	25p	10	161	+4	169	53
De Beers Defd.	R0.05	10	258	—12	335	161

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9
Mar. 16	Mar. 29	Jun. 10	Jun. 22

"Calls" were dealt in British Land, Charterhall Finance, Lonrho, Burmah Oil, Fitch Lovell, Cavenham Warrants, William Press, Ladbroke Warrants, Imperial Group, Town and City, J. Sainsbury, Barclays Bank, Dunlop, Hestair, BSR and BSG. "Puts" were done in ICI and Amalgamated Investment, while "doubles" were arranged in Charterhall Finance, British Land, Burmah Oil, Lonrho, Town and City and Dunlop.

Industrials							
A. P. Cement	16	Guardian	20	Spillers	5	Shell	25
[illegible]		G.K.N.	22	Tesco	5	Ultramar	20
		Hawker Sidd.	35	Thorn "A"	20		
		House of Fraser	6	Tube Invest.	27	Mines	
Debenhams	8	Midland Bank	22	H.P.	8	Lonrho	12
Distillers	12	Nat'l West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	10	MEPC	10	Poseidon	55
Eagle Star	12	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Bank Org. "A"	18			West Areas	40
Glaxo	35	Reed Int'l	23	Oils		Western M'ng.	18
Grand Met.	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. "A"	17	Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (90)

BRITISH FUNDS (9)

NEW LOWS (11)

BRITISH FUNDS (1)
Treas. 12¾pc '93 A
AMERICANS (1)
Singer
OVERSEAS TRADERS (1)
Sena Sugar
MINES (8)
Vaal Reefs; Gold Fields S.A.; Western Driefontein; New Wit.; Free State Dvlpt.; De Beers 40pc Pref.; Anglo Amer. Cpn.; Gold Mines Kalgoorlie

BASE LENDING RATES

Allied Irish Banks Ltd
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A
Barclays Bank
Barnett, Christie Ltd.
Bremar Holdings Ltd
Brit. Bank of Mid. East
Brown Shipley
Canada Permanent AFI
Cayzer, Bowater Co. Ltd.
Cedar Holdings
Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
Guinness Mahon
Hambros Bank
Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Merc'tile Corp.
Midland Bank
Samuel Montagu
Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept'cs
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

MONEY MARKET

Exceptional shortage

Bank of England Minimum Lending Rate 9½ per cent. (since February 6, 1976)

Day-to-day credit was in very short supply in the London money market yesterday and the authorities gave an exceptionally large amount of assistance by buying Treasury bills and Corporation bills from the Discount houses. The market was faced with a net take-up of Treasury bills to finance, an excess of revenue payments to the Exchequer over Government disbursements, and an increase in the note circulation.

Discount houses paid 8¾-9 per cent. for secured call loans in the early part, and closing balances were taken at 8¾-9 per cent. In the inter-bank market overnight loans commanded 8¾-9 per cent. throughout.

Short-term fixed period interest rates recorded little change overall. The Discount houses buying rate for three-month Treasury bills ended at 8 11/32 per cent., compared with 8 11/32 per cent. on Friday. The three-month Treasury bill yield was quoted at 9-8⅞ per cent., against 9-8 15/16 per cent. previously.

Rates in the table below are nominal in some cases.

Feb. 23 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank Bills ♦	Fine trade Bills ♦
Overnight	—	8¾-9	—	—	—	9-10	8½-9	—	—	—
2 days notice	—	—	8¾-8⅞	—	—	—	—	—	—	—

CORAL INDEX
I.G. INDEX
INSURANCE BASE RATES

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AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅞	92$\frac{3}{16}$	Treasury 6½pc 1976‡‡	96⅞	......	6.57	8.92
99	97	Victory 4pc 1976‡‡	98⅝xd	......	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	101$\frac{3}{32}$	+$\frac{1}{16}$	10.38	8.84
97⅞	88⅞	Treasury 6¾pc 1977‡‡	97⅞xd	+¼	[illegible]	8.43
97⅛	86¾	Electric 3pc 74-77	97⅛xd	+⅛	[illegible]	5.60
103$\frac{11}{16}$	96⅞	Treasury 11½pc 77‡‡	10[illegible]xd	+¼	11.16	9.47
94	84	Treasury 3pc '77‡‡	93⅝	+⅛	3.20	6.97
93⅞	84⅜	Transport 4pc '72-77	93⅝	+⅛	[illegible]	7.79
99$\frac{13}{16}$	90½	Treasury 9pc 1978‡‡	98$\frac{13}{16}$xd	+¼	[illegible]	9.60
101¼	96	Treasury 10½pc '78‡‡	101¼	+$\frac{1}{16}$	10.37	9.88
92½	[illegible]	Exchequer 5pc '76-78‡‡	92¼xd	+½	5.42	8.40
103½	94$\frac{1}{16}$	Treasury 11½pc '79‡‡	103½xd	+$\frac{3}{16}$	11.11	10.14
87½	71⅛	Treasury 3pc '79‡‡	87½xd	+½	3.43	7.02
87⅞	73⅞	Electric 4½pc '74-79	87¾xd	+½	4.84	8.20
100$\frac{1}{16}$	94½	Treasury 10½pc '79‡‡	99$\frac{25}{32}$	+$\frac{11}{32}$	10.52	10.51
99$\frac{13}{16}$	95$\frac{1}{16}$	Do. 10½ 1979 'A'	99$\frac{25}{32}$	+$\frac{11}{32}$	10.52	10.52
86⅝	71	Electric 3½pc '76-79	86⅜	+¼	4.05	7.77
96¼	84	Treasury 9pc 1980‡‡	96¼xd	+¼	9.35	10.16
95	89¼	Treasury 9½pc '80‡‡	96	+⅛	9.90	10.66
96	92¾	Treasury 9½pc 1980 'A'	96	+⅛	9.90	10.69
86	66¼	Treasury 3½pc '77-80	[illegible]	+⅛	[illegible]	7.57
87⅝	71	Funding 5¼pc '78-80‡‡	86¼	+¼	6.09	9.17
103$\frac{1}{16}$	94$\frac{13}{16}$	Treasury 11½pc 1981	102$\frac{13}{16}$	+$\frac{3}{16}$	11.18	10.73
		Five to Fifteen Years				
86	66½	Treasury 3½pc '79-81	84¼	+¼	[illegible]	7.33
[illegible]						

Over Fifteen Years
[illegible]

Undated
[illegible]

**INTERNATIONAL BANK
[illegible]

**CORPORATION LOANS
[illegible]

COMMONWEALTH & AFRICAN LOANS
[illegible]

LOANS (Miscel.)
[illegible]

FOREIGN BONDS & RAILS
[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS
[illegible]

S.E. List Premium [illegible] (based on $2.0231 per £)

CANADIANS
[illegible]

S.E. List Premium [illegible] (based on $2.0034 per £)

Conversion factor 0.6310 (0.6265)

††BANKS AND HIRE PURCHASE
[illegible]

Hire Purchase, etc.
[illegible]

BEERS, WINES AND SPIRITS
[illegible]

BUILDING INDUSTRY, TIMBER & ROADS
[illegible]

BUILDING INDUSTRY—Continued
[illegible]

CHEMICALS, PLASTICS
[illegible]

CINEMAS, THEATRES AND TV
[illegible]

DRAPERY AND STORES
[illegible]

DRAPERY AND STORES—Continued
[illegible]

ELECTRICAL AND RADIO
[illegible]

ENGINEERING, MACHINE TOOLS
[illegible]

ENGINEERING—Continued
[illegible]

FOOD, GROCERIES, ETC.
[illegible]

HOTELS & CATERERS
[illegible]

HOTELS—Continued
[illegible]

INDUSTRIALS (Miscel.)
[illegible]

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INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Trusts, Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	250	Durban Deep R1	360	......	Q20c	♦	3.1
£14	425	E. Rand Prp. R1	425	......	Q35c	♦	4.6
105	14	Rand Leases 2½c	14	......	—	—	—
£34½	£12¾	Randf'tn Est. R2	£12¾	......	—	—	—
500	110	West Rand R1	115	......	Q10c	♦	4.8

EASTERN RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	160	Bracken R1	172	−2	Q52c	1.0	16.7
23	5	Daggafontein 50c	7	....	—	—	—
105	20	East Dag. R1	20	......	—	—	—
140#	5	Grvl. Areas 5c	140#	......	—	—	—
320	85	Grootvlei 30c	95	−3	Q20c	♦	11.6
820	340	Kinross R1	345	+5	Q54c	1.4	8.6
90	52	Leslie 70c	56	.....	Q18c	1.4	17.8
550	130	Marievale 70c	140	....	Q42c	♦	16.6
725	125	S. African Ld. 35c	150	+5	Q30c	♦	11.1
265	74	Vlakfontein R1	77	....	Q20c	♦	14.4
£13¼	650	Winkelhaak R1	650	.....	Q108	1.1	9.2
120	28	Wit. Nigel 25c	30	......	—	—	1.4

FAR WEST RAND

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	535	Blyvoor 25c	535	−20	‡Q100c	1.3	‡
£21½	£11	Buffels R1	£11⅛	.....	Q180c	1.4	8.8
430	148	Deelkraal R0.20	150	.....	—	—	—
£14¼	520	Doornfontein R1	530	+10	‡Q110c	1.4	‡
£12¾	725	East Drie R1	785	−25	Q75c	♦	5.3
380	225	Elandsrd Gld. Mng. 20c	225	......	—	—	—
450	145	Elsburg R1	155	......	Q33.8c	♦	12.0
£31	£13	Hartebeest R1	£13¾	−¼	Q215c	1.4	9.0
£13¼	530	Kloof Gold R1	540	−20	Q55c	1.9	5.6
£17¼	480	Libanon R1	480	......	‡Q118c	1.9	‡
£13¼	450	Southvaal 50c	450	−5	Q8c	♦	1.0
480	200	Stilfontein 50c	202	−1	Q36c	♦	9.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	42	Botswana RST P2	54	−2	—	—	—
390	241½	Messina R0.50	245	−5	Q35c	1.9	7.8

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	29	+½	—	—	—
880	360	Cons. Murch. 10c	740	......	Q80c	♦	6.0
53½	29½	Lonrho	38½	−1	—	—	—
470	200	Northgate C$1	415	−5	tQ25c	1.0	3.3
211	80	R.T.Z.	195	+9	t5.52	4.4	4.3
135	47½	Sabina Inds. C$1	102	+2	—	—	—
81	45	Stanford Mines‡	45	......	—	—	—
£12½	874	Tara Exptn. $1	£11⅛	......	—	—	—
122	38	Yukon Cons. C$1	122	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1975. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

Polish motor industry to boost exports to the West

BY TERRY DODSWORTH

WARSAW, Feb. 24.

THE POLISH motor industry, now in the middle of a large-scale increase in production capacity, is planning a substantial expansion of its exports to the West.

Its programme includes an unprecedented new venture in the U.S., the establishment this year of an annual assembly facility for 1,000 cars in Ireland, and the expansion of sales in the U.K. from about 2,000 cars last year to about 6,000 in 1980.

These exports are designed to counter-balance increasing imports from the West, which are centred on heavy engineering products and have recently included a batch of 100 Vauxhall Chevette cars, the first significant exports of U.K. vehicles to the country for several years.

Polski-Fiat, licensed to make the old Italian Fiat 125 model, now phased out in Italy, will remain the main vehicle for the attack on overseas markets, exporting a little over half its annual production as this increases from the present 120,000 units a year to 160,000 by the end of the decade.

In the U.S. the company is aiming at an export target of about 8,000 models a year, small by Western standards, but highly significant in Eastern Europe since it would be the first venture by the Comecon motorcar industry into the U.S. market. The plan has been under consideration for about two years and Polski says that tests on the 125 engine suggest that it can be readily adapted to meet the stringent U.S. exhaust emission regulations.

The company believes that it will take about another year to put through the necessary production reorganisation in the Polish factory to meet these emission tests and the other U.S. regulations on crash safety.

It is believed that the Russian Lada car factory, which also makes a former Fiat model (the old 124), has similarly looked at the possibility of exports to the U.S., although no decisions have been taken.

Israel to open Wankel plant

By L. Daniel

HAIFA, Feb. 24.

PRODUCTION OF Wankel engines will be started at Carmiel near here in temporary premises by Savkal, the Israeli-American licensee, in April. Output in the first stage will be 50-100 air-cooled, 30-hp gasoline engines a month, until the bigger plant on an adjacent site is ready for production at the rate of 100,000 engines a year by 1977. The bulk of the output is intended for export with turnover, at present prices, seen at $50m. annually.

Export credits agreement

BY DAVID CURRY

BRUSSELS, Feb. 24

OUTLINES OF an agreement on controlling export credits have been reached between the Common Market's four major exporting countries and the U.S. and Japan. Talks in Paris between the four EEC countries which participated in the Rambouillet monetary summit meeting — France, Britain, Germany and Italy — and the U.S. and Japan have apparently succeeded in putting together a minimum range of floor rates on credits and at least shadowing in some controls over combining export credits and financial aid in single packages.

The conduct of the talks within the context of the Rambouillet declaration, which specifically committed participants to seek a "gentlemen's agreement" on export credit limitation, neatly side-steps the demand of the European Commission that EEC states bow to a European Court of Justice decision which puts the export credit area within Commission competence. Although no formal reaction has come from Brussels, the Commission is likely to argue that it should put its seal of approval on the agreement to establish its right to carry ultimate responsibility for this matter.

The Commission's claim is meeting direct opposition from the French and is receiving scant endorsement from the U.K. and Germany who are arguing that legal tussels should be postponed. However, the smaller states attach far greater importance to export credit harmonisation within the EEC because they see a threat to their own exports in the constant multiplication of credit facilities offered by the bigger countries.

The details of the agreement reached in Paris are scanty, but it is thought that a 7½ per cent. floor rate will apply to medium-term credits from two to five years with a minimum 8 per cent. rate for poorer countries on longer credits and higher rates for the more well-off buyers, assessed on the GDP per head basis.

If these reports are accurate it would mean an end to the very low interest rate credits for countries like the Soviet Union, although the expectations of what is to be gained from long-term financing deals with the USSR, linked to raw materials exploitation, have clearly declined recently.

The downward movement of interest rates has also made it easier to agree the outlines of a common rate structure.

The agreement provides for limitations on maturity of loans, depending on countries, within five to 10 years—the longer credits being available for the poorer countries. It also seeks, apparently, to bring some order into the controversial area of credit mixte: the system of linking long-term loan finance with export credits. Reports suggest that the agreement provides for consultation when the grant element is less than 15 per cent. of the financing, prior notification between 15 and 20 per cent., and notification after the event if the grant element is between 20 and 25 per cent. Above this the deal would fall outside the agreement.

Sectors covered by special agreements—like aircraft, ships and satellite ground stations—are excluded.

The last big round of "gentlemen's agreement" talks was last spring when the main obstacle was French dissatisfaction with the rate structure and consultation procedures proposed.

ECGD new business drive

BY MARGARET HUGHES

THE Export Credits Guarantee Department has just published a promotional booklet "Market the World with ECGD" which it is mailing to some 1,000 exporters which are not already policyholders.

This is the first time that ECGD has undertaken a promotion of this kind, which will be followed up by a telephone sales campaign. Since the department is run on a commercial basis, the aim is to step up business so that premiums can be kept down. The amount of business covered by the department has already increased considerably—1974/75 showing the largest ever percentage rises. Total exports insured by ECGD rose by 36 per cent. to £4.79bn., while advances of short term export finance backed by the department rose by 42 per cent. to £1.90bn.

The booklet outlines, in a practical way, the services provided by ECGD—namely insurance (and the risks covered) and help with export finance, including such recent additions as performance, bonds and cost escalation. Drawing on case histories, it emphasises how these services and the general guidance provided by the department have helped exporters improve their business. It also details the different types of companies which could benefit.

Britain lifts Thai air ban

BY OUR OWN CORRESPONDENT

BANGKOK, Feb. 24.

BRITAIN TO-DAY removed a ban imposed at the beginning of the year against Thai carriers lifting passengers from Hong Kong to Japan after the British ambassador here, Sir David Cole, signed an agreement with the *Thai Communications Minister* specifying an overall limit of 7468 seats per week for both sectors between Bangkok through Hong Kong to Japan.

The Thais have been given two weeks to divide the total between their two rival airlines, Thai International and Air Siam, and the Finance Minister, Boonchu Rojanasathien has set up a committee under his direction to implement the agreement. Employees of Thai International, however, have *threatened to-day* to go on strike against an earlier cabinet decision to allow Air Siam ten seats to every three for Thai International on the Hong Kong-Japan run.

The agreement is the outcome of a compromise arrived at in London earlier this month which allows the Thais around 900 seats above the ceiling which the British have previously been bargaining for. However, a spokesman at the British embassy here sees the main achievement of the negotiations as the formal recognition by the Thais that future seating capacities will be discussed and agreed upon by both sides.

The present capacity levels are valid until the end of June 1977 when they come up for review.

Hoesch pulls out of Australian steel plant

TOKYO, Feb. 24.

ESTEL HOESCH Hoogovens, the Dutch/West German steel concern has pulled out of the proposed $A3bn. multinational project to build a 10m. tonnes a year steel plant in Western Australia. This was announced to-day by Mr. Jack Anderton Broken Hill Proprietary's general manager for steel planning and development, who chaired a two-day meeting here of participants in the project.

An Estel Hoesch spokesman in Germany confirmed that the group has pulled out of the project, explaining that the company did not feel that the price of steel produced by the proposed Australian plant would be low enough.

Mr. Anderton said that the 10 remaining partners have decided to postpone a decision on the venture for up to a year to see if changed steel market conditions permit them to go ahead.

Mr. Anderton added that the surplus world steel making capacity and low profitability of steel companies rule out the project at present. He also cited a sharp increase in costs. One specific cost factor of "special concern" is shipping rates on the Australian coast, which increased quickly to extremely high levels by world standards, Mr. Anderton said.

The number of participants in the venture was earlier cut from 13 by the withdrawal of two U.S. companies—National Steel and Jones and Laughlin—which decided they were busy enough financing domestic expansion programmes, he said. But Mr. Anderton stated that if a decision were eventually taken to go ahead, the number of partners could rise again, since several other companies from Europe and Australia had expressed interest in joining the project.

The present participants comprise five Japanese steel makers—Nippon Steel, Nippon Kokan, Sumitomo Metal Industries, Kawasaki Steel and Kobe Steel—as well as BHP and Pilbara Iron of Australia, British Steel Corporation and Guest Keen and Nettlefold of the U.K. and American Metal Climax of the U.S.

Reuter

Combustion Engineering Iraq contract

STAMFORD, Conn., Feb. 24.

COMBUSTION Engineering has announced that a joint venture of its C-E Lummus subsidiary and Thyssen Rheinstahl Technik of West Germany have signed a turnkey contract with Iraq for a petrochemical complex to be located near Basrah, Iraq. The contract price is in excess of $1bn., the company said, and provides for design, supply and construction.

The complex using C-E Lummus ethylene technology will produce 150,000 tons a year of high and low-density polyethylene and PVC as well as 40,000 tons a year of caustic soda, with completion scheduled within five years.

AP-DJ

Trans-Sahara to Nigeria

By James Buxton

A REGULAR transport service to Nigeria using the trans-Sahara route is to start next month, according to the operating company Seevar Projects U.K. The service is to operate to Kano in northern Nigeria and promises a journey time from the U.K. of 15 days.

Lorries using the route will go to Algiers via the roll-on roll-off ferry from Marseilles. In Algiers the goods will be unloaded into special desert trucks operated by the Algerian Societe Nationale Transports Routiers (SNTR), with which Seevar has signed an exclusive contract for one year. SNTR will operate weekly convoys of 200 to 350 tons, taking ten days to reach Kano. There the goods will clear customs and be forwarded to other destinations in Nigeria within 24 hours, Seevar claims.

SNTR, which insists on operating all services across the Algerian stretch of the Sahara desert partly because of the pressure on fuel and water points, has long experience of the route. Seevar believes it will *monopolise* European trans-Sahara traffic being handed over to SNRT and thus dominate the shortest overland route to Nigeria.

The most important question is how the new service competes in speed and cost with its main rivals—roll-on roll-off shipping services to West African ports and air freight and air charter services. Seevar quoted about £7,000 for a 20 tonne load to Kano, and about £8,000 for Lagos. Ro-Ro rates to Lagos using either Nigerian or Ghana ports are around £4,000 for 20 *tonnes, with Kano about £5,000*, but Seevar claims that it can offer greater speed because customs clearance at Kano is much faster than Lagos, being less congested. The air freight rate to Lagos is about £9,000 for 20 tonnes and air charter is about £7,000—but both can be subject to serious delays in clearing customs.

● Nigeria opened its ports, airports and borders yesterday after they had been closed for 12 days following the abortive coup attempt on February 13. The first British Caledonian flights for Nigeria were due to leave Gatwick last night.

Carter makes primary election ga

BY JUREK MARTIN, U.S. EDITOR

MANCHESTER, NH, Fe

JIMMY CARTER may have put his foot in it last night on the eve of the New Hampshire primary elections. In the course of a debate in Boston, Mass., he said in reply to a question that he would probably do away with the tax deductions allowed to home owners on their mortgage interest.

To be fair, the Democratic hopeful said that this would be just one part of a comprehensive tax reform he would institute as President, details of which will be unveiled later this year. His advisors say that this plan would not single out the American home-owner for inimical treatment.

But his political opponents are unlikely to be that charitable, especially since he is emerging as the man to beat in the Democratic Party. His obvious weakness is a tendency to equivocate on issues: should he be seen to change his mind on this highly sensitive matter he may find himself in trouble. It is only too easy to imagine the scare stories that his challengers might spread around.

Mr. Jimmy Carter

The New Hampshire primary itself to-day consists of two parts: there is a straightforward Presidential preference poll, in which the voters are asked to choose between the two Republicans, President Ford and Ronald Reagan, on the one side, and 14 Democrats, five of whom may be considered serious, on the other hand. They may also write in for either party's nomination the names of candidates not listed on the ballot paper.

At the same time, the Republicans will be choosing a total of 21 delegates that New Hampshire will send to the Republican convention in Kansas City in August. Of these, 15 are chosen on an at-large basis, the other six split between the state's two Congressional districts. Only the President and Mr. Reagan have full delegate slates running.

The Democrats will select a total of 17 delegates, nine from one Congressional district, eight from the other. The five major candidates (Carter, Udall, Bayh, Harris, Shriver) are running full slates; Senator Jackson, who has not campaigned here and is not on the preference ballot but who has been active in nearby Massachusetts, has a slate entered in his name, while another favourable to Senator Humphrey is also on the ballot card. There is no room for uncommitted delegates.

New Hampshire has 165,000 registered Republicans and 115,000 registered Democrats, plus 145,000 official independents. Republicans and Democrats are restricted to voting in their own primaries but independents may vote in either. Unregistered voters may not participate.

On the Republican side, the size of the turnout may determine whether Mr. Ford or Mr. Reagan wins (most people are unable to predict who is the stronger). A low poll, say 80,000, would probably benefit Mr. Reagan, whose supporters are more committed, whereas a high poll ought to help the President. The weather here, clear and not very cold, will not be a In 1972, a total of 118,000 the Republican primary.

The size of the turnou likely to be a determinin in the Democratic race, low poll, however, would disaffection with the five dates who have campai hard here in recent we may encourage those wa the wings or those who, tical reasons, steered c this first primary.

The very tentative be that Mr. Carter and Mr should finish first and though the order may versed, with the other competing for the thi finish which they all a very important. The may spring a surprise is Harris, the one who worse than expected is M Bah.

For the record, one ha New Hampshire, Dixville near the Canadian borde at midnight last night, up its record of always be first in the nation. P Ford beat Governor Re 11 votes to four, while Mr got six Democratic against one each for Udal Jackson, and Wallace J who is actually a Rep candidate for Vice-Pr The experts do not consid results to be of great imp

Nixon revels in Chinese 'Head of State' treatment

PEKING, Feb. 24.

THE CHINESE are treating Mr. Richard Nixon with the ceremony usually reserved for a Head of State during his China visit and *Mr. Nixon is responding by acting daily more like one.*

He travels around the city in a large black limousine bearing the flags of China and the United States. This morning following a visit to the Peking Historical Museum, only recently reopened after some major "political" renovations, he walked in Peking's Tien An Men Square, shaking hands with the large and pressing crowds, beaming at the toddlers and posing for photographers.

Last night at a "cultural *soiree*" in the Great Hall of the People, he was honoured by the presence of Chiang Ching, wife of Chairman Mao, making one of her increasingly rare public appearances. Mrs. Mao did not accompany President Ford when he sat in the same seat in the same hall for a revolutionary ballet performance a few weeks earlier. Acting-Premier Hua Kuo Feng and Foreign Minister Chiao Kuan *Hua were also present.*

His activities have been fully and prominently reported in the People's Daily which to-day carried a large picture of the ex-President shaking hands with Chairman Mao at the start of nearly two hours of talks yesterday morning with the frail Chinese leader.

Mr. Nixon will have further lengthy talks with Mr. Hua and Mr. Chiao this afternoon, the third so far. Beyond describing the talks as being on international questions of common interest, the Chinese are revealing nothing. Mr. Nixon has been silent on details of the talks and said almost nothing to reporters since he arrived here.

The Chinese are sparing no effort to make the bewildering visit a success. They have gone far beyond the customary Chinese courtesy reserved for special "private" visitors. At the very least, the visit has tied up the Foreign Minister of the world's largest country for a full week, at a *peculiarly delicate* phase of China's political life, and consumed a considerable amount of time of the country's acting Premier.

Sydney Morning Herald.

UPI adds: When Mr. Nixon met with Chairman Mao Tse-Tung, he told the 82-year-old leader that he brought greetings from President Gerald Ford, a member of the Nixon party said to-day.

The Chairman asked Mr. Nixon to convey his regards to Mr. Ford and said, in reference to his meeting with Mr. Ford during the President's December visit, "Yes, we have had good talks." At a song and dance performance on Monday night, Madame Mao asked Mrs. Nixon to convey her best wishes to Mrs. Betty Ford.

Visit by Gei to Britain in the balance

By Hugh O'Shaughnessy

THE STATE visit to I of General Ernesto Gei Brazilian President, grammed for early May his visit to Paris, may in the balance this wee growing controversy ab in the Labour Party.

To-day Labour's N Executive Committee vo a motion calling on th ernment to cancel pla the visit. Normally th which is opposing the could count on a majo the NEC but the vis been the object of very l lobbying and the outco not entirely predictable

Some senior members Labour Party have sug that if the visit doe place they will boycott i

There are indications the NEC does take a attitude to the visit Brazilians will cancel plans for fear of any rassment to the Genera

New York Governor likely to support anti-Concorde Bill

BY GUY DE JONQUIERES

NEW YORK, Feb. 24.

GOVERNOR Hugh Carey of New York is expected to sign into law a Bill approved yesterday evening by both Houses of the State legislature which is designed to prevent the Concorde from landing at J. F. Kennedy *international airport.*

A spokesman at Governor Carey's office in the State capital at Albany said to-day that the Bill fits in with the general concern of the Governor about supersonic transport flights into Kennedy. Mr. Carey has ten days in which to sign the legislation after he receives it.

In any event, it would be difficult for Governor Carey to resist the head of political steam that has built up in New York State over the Concorde issue. The legislation was passed by huge majorities—47 to 10 in the State Senate and 139 to 4 in the Lower House—and was supported by many elected representatives with constituencies far distant from the airport.

The Bill proposes to lower the maximum noise limit for aircraft landing at Kennedy and all other air terminals administered by the New York-New Jersey Port Authority to 108 perceived noise decibels from the current level of 112 PNdB, which the manufacturers of Concorde claim they can just meet. Aircraft now using the airports which do not meet this standard would be exempted for five years.

Because the legislation covers all Port Authority airports, it must be approved in identical form by the New Jersey legislature in order to take effect. A Bill similar to the one approved in Albany has been introduced into the New Jersey Assembly, though it has not yet been voted on. Its sponsors are hoping that it will reach the floor in the next ten days.

While it is difficult to forecast with certainty exactly what will happen to the Bill, anti-Concorde feeling in New Jersey seems to be considerably less widespread than in New York—partly because the aircraft is not at *present due to land in any* New Jersey airport.

Last week, the state Senate rejected by a 12-to-eight voice vote a resolution calling on the Governors of New York and New Jersey to keep Concorde out of Kennedy. But because only half of the Senate's 40 members were present the vote may not be truly representative.

Officials at the New Jersey legislature also suggested to-day that it might take some time to iron out discrepancies between the Bills in the two state legislatures. If New Jersey were to approve legislation *differing* materially from that of New York, it might be necessary to work out a compromise Bill which would then have to be voted on again in both legislatures.

If final agreement is reached at legislative level, it would pre-empt the decision which the Port Authority is due to take shortly on whether Concorde meets the environmental standards at Kennedy. No date has yet been fixed for this decision, but it could come as early as next month.

At present, Concorde has been authorised by the U.S. Transportation Secretary, Mr. William Coleman, to land at Kennedy four times a week for 18 months on a trial basis. It is not entirely clear whether the State legislatures have the authority to override the Transportation Secretary by passing anti-Concorde legislation. But if they try to do so, their action will almost certainly be challenged in the U.S. courts by British Airways and Air France.

Utilities tax plan studied

WASHINGTON, Feb. 24.

ADMINISTRATION TAX incentive proposals for electric utilities will do more for profitable companies than for those in need, according to a Congressional budget office analysis.

The report, released by the House Budget Committee, says that a permanent investment tax credit increase proposed by the administration to raise the investment tax credit from 10 per cent. to 12 per cent. for non-petroleum electric facilities would have minimal effect for the first few years.

Recent estimates indicate a decrease in electricity growth rate demands and the report says that "it is questionable whether inducing immediate additional investment in electric utilities is appropriate policy for the near term."

AP-DJ

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Questioning our export obsession

BY C. GORDON TETHER

"WHAT WE need now more than ever is people who sell abroad." So reads the caption over the current advertisement with which ICI is endeavouring to promote its public image by depicting the contribution it is making to bridging Britain's payments gap "by selling abroad at a rate of over £550m. a year."

At the risk of appearing to perpetrate the last word in economic heresies, may I venture to ask whether this proposition is as self-evident as such propaganda would have us believe. And ICI is, of course, merely echoing a theme that is featured in each and every official pronouncement on the country's economic situation.

Most countries have pursued export-oriented economic policies since it became the accepted thing to regard the expansion of international trade as being very much in the unmixed blessing class after the close of World War II. But nowhere has the fashion obtained quite such a grip on economic management thinking—outside official circles as well as within them—as it has in Britain.

Assured

Hardly a single Parliamentary voice has ever been raised in doubt. And almost any measure that could be shown to be calculated to make it easier for British firms to market their wares abroad has been more or less automatically assured of the approval of all the political parties, no matter what it was likely to cost in other directions.

Almost no questions have been asked in the House of Commons, for instance, about the wisdom of the Government's recent decision to increase materially the "cost-escalation" cover extended to British exporters concluding long-term contracts abroad—this, although there are good reasons for thinking that this could eventually entail a major jump in the cost to the taxpayer of subsidising export traffic.

Not even the contention that, on the evidence, this orientation in our economic life was not doing us much good—in as much as it was leaving us as vulnerable on the external payments front as ever—has managed to bring it into question. On the contrary, the public has been invited to conclude that this was only because we were not striving hard enough to win foreign markets.

What I would like to suggest is that it is high time that we took a very close look at this obsession. For I have a feeling that, if we did, we might make two important discoveries. One is that some of the benefits it is supposed to confer are illusory. The other is that a significant part of the deferred payments business we are taking on so closely resembles giving our substance away—so much so that it actually constitutes one of the main reasons why we are experiencing so much difficulty in establishing our economy on a sound basis.

Taking the illusory aspect of the matter first, there can surely be little doubt that the emphasis that has been placed on constantly lowering the value of the £ to make our exports more competitive has often had the effect of making them quite unnecessarily cheap. How otherwise do you explain the fact that boatloads of Continentals now regularly visit the country to stock up in British goods, the savings they show on such purchases *more than compensating* them for the cost of making the crossing?

What this means is that the net benefit in additional foreign currency earnings we derive from making exports more competitive from excessive £ devaluation may well be very modest. Indeed it could even be that the increase in the quantity sold does not fully compensate us for the unnecessary drop in the yield from the goods we would have sold in any case. Bearing in mind how seriously devaluing the £ adds to our economic difficulties in other ways, this may well be bad business.

Economic cost

The deferred payments business secured through the provision of generous export credit arrangements, cost-escalation facilities and so forth may be very much worse. For, allowing for the cost of massive interest rate subsidies and for the fact that, thanks to the inexorable advance of inflation, the amount received in payment will often fall far short of the real value of the goods concerned, the economic cost to the country of much of this traffic must be considerable.

Is it not arguable, therefore, that we would often be better off without it—indeed that we cannot in our present straitened circumstances afford to subsidise the outside world in this way? Would we not be well-advised, in fact, to adopt a much more discriminating attitude to exports as a whole, paying much more attention to their real purpose—which is surely to make economic life easier for the home population to cope with rather than an endurance test.

SALEROOM — BY ANTONY THORNCROFT

Crippen items fetch £450

THE London salerooms were awash with interesting sales at popular prices yesterday. The most significant was Sotheby's disposal of Chinese works of art and export porcelain, which totalled £179,490, but the same auction room's book and manuscript sale, which put up letters from Crippen, perhaps had more general appeal.

Although the best lot in the Chinese sale, a rare "Compagnie-des-Indes" chicken tureen and cover, with many bright colours, sold rather below the price forecast at £7,000 to Hogg, the London dealer, the sale was generally satisfactory. A carved Imperial lacquer box and cover beat its target at £6,400; a large jadeite figure of a maiden sold for £4,600; a jade boulder carving realised £4,500; and a pair of octagonal "famille rose" dishes did well at £4,200.

The Crippen letters, and other items produced at the trial, were bought for £450, at the top of the price range estimated. The vendor was the stepson of Dr. John Burroughs, a friend of Crippen, who received a letter telling him that Crippen's wife had died in California.

The highest price of the sale was the £500 from Essex County Archives for a collection of over 300 papers relating to Essex and Suffolk. Items about Manchester and the cotton industry made £380, and some letters by Whistler £320. The LSE acquired two lots (for £110 and £85) relating to the early days of British socialism.

At Christie's, a James I (of England) gold sovereign sold to a private buyer for £1,600—a price comfortably above forecast. However, it rather shrinks in comparison with the £33,415 paid last week in Los Angeles for a Scottish gold Twenty Pound piece issued when James was just King of Scotland. This is a world record for a British coin, and it was purchased by Spinks for a private buyer.

Car mascots

Back at Christie's sale, a Henry VI noble sold for £1,400, and two George VI specimen coin sets of 1937 went for £1,050 and £1,000 respectively. The London dealer Hearn gave £1,000 for a Charles II five guinea piece of 1683. The sale totalled £29,818 and underlined the strength of the coin market.

There were two interesting sales at Christie's South Kensington. Motoring mascots and badges went for £7,989, and motoring, aeronautical, shipping, and railway pictures and literature, realised £20,124, in a packed saleroom.

As usual among the mascots, the glass Lalique figures fetched the highest prices—£450 for a falcon and the same sum for a Spirit of the Wind mascot. The pre-sale forecast was £200-£300.

A signed Lalique glass plaque carved with a naked archer sold for £400.

In a continuing strong market, rare motoring mascots are selling for about £50-£60, and the conventional items for about £25.

Among the pictures a Roy Nockolds 1931 painting of a Bugatti sold for £750 (well over double forecast), but the two most highly regarded lots, paintings of Le Mans and of engines by Terence Cuneo were bought in at £2,500 and £1,600 respectively.

These apart, the sale was a great success with the extraordinary prices of £230 for a silver ash-tray from a Rolls-Royce of 1926, and £180 for a silver car timepiece, shaped as a miniature radiator and dated 1927.

RACING — BY DOMINIC WIGAN

Border Incident can win

BORDER INCIDENT CAN WIN IT IS unlikely that a starting price will be returned on this afternoon's Fairlawne Chase at Windsor, because last year's winner *Bula* has only the erratic Last Trick to beat.

Bula, who at 5-2 is just half a point behind favourite Ireland's *Brown Lad* in most Cheltenham Gold Cup lists, seems sure to win with the minimum of fuss provided that he does not make one of his rare jumping errors, such as that which almost certainly cost him victory in last season's Welsh Champion Chase won by Summerville.

John Francome, bidding for his sixth victory on *Bula* in 13 months, has several well-fancied mounts and I shall be disappointed if he does not also succeed in consolidating his position at the head of the jockey's table through the Richard Head pair *Border Incident* and *Stone Thrower*.

Border Incident at one time rated as a possible Champion Hurdle winner, has been showing fine potential in his schooling over fences and it will be a surprise to many if he cannot make a winning first appearance over the biggest obstacles in Div. II of the Curfew Novices Chase.

Stone Thrower, among the runners for the Div. I was not disgraced when finishing third behind Skyrne and Salviati in the valuable Scilly Isles Chase at Sandown a fortnight ago after losing a chance of winning with a blunder at the third from home.

WINDSOR

2.00—Socket
2.30—Windmill Boy
3.00—Bula
3.30—Stone Thrower*
4.00—Border Incident**
4.30—Setra

CATTERICK

2.45—Invergayle
3.15—Portacarron
3.45—Banlieu***
4.15—Barry John

Provided that he makes no major error here, *Stone Thrower* should not be hard pressed to gain his third course victory.

A fourth possible winner for Francome, now even money to gain his first championship, is *Bula's* four-year-old stablemate Tarot in the Langley Hurdle. Here, however, I have slight preference for that game horse *Setra*, who ran on particularly well when giving Mandy Boy 1lb and a neck beating over this two miles in the Bearwood Hurdle five weeks' ago.

Another jockey with a promising looking afternoon is former champion Ron Barry, who will be in action at Catterick, where he seems likely to complete a double in the final two races through *Banlieu* and *Barry John*.

Banlieu, a 2½ lengths winner from Mr. Midshipman, from whom he was receiving only 5 lb at Leicester recently, is a reasonably confident choice for the Leyburn Novices Chase.

Looking ahead to to-morrow's Wincanton programme, Lanzarote is due to meet Bird's Nest at a difference of 7 lb. in the Kingswell Pattern Hurdle which Lanzarote won by a distance from his pace-maker, Calzado, a year ago.

Other likely starters here are Avec Moi, who has not been out since winning the Lloyds Bank Champion Novice Hurdle almost two years' ago and Lord David, a winner twice over hurdles in France.

Lord David, a high-class middle-distance performer on the flat in this country a few years' ago when trained by Staff Ingham, has joined Bill Marshall's Newmarket stable after an unsuccessful spell at stud.

GARDENS TO-DAY

In praise of privet

BY ROBIN LANE FOX

THE NEW *Dictionary of Shrubs in Colour* (published by the Royal Horticultural Society and Michael Joseph) costs £8.75. Many of the photographs are clear and some of the shrubs are too seldom grown. I do not think it is as valuable as the classic first volume, the *Dictionary of Garden Plants in Colour*, under the care of Roy Hay and Patrick Synge, a fatter and cheaper book which did more to rouse the interest of ambitious and inexperienced gardeners than was achieved by any other book, to my mind, since William Robinson's writings at the turn of the century. It is still a marvellous buy. I have a complaint about the new companion volume. It is not fair to the privet.

When I suggested last week that the privet deserved a new reputation, a gentleman from Carlisle wrote to say that he supposed I'd be seeing art in *piles of bricks by the time the* spring flowers were at their best. This is typical of our blindness to a beautiful shrub. We have clipped one variety into low suburban hedges and have despised it for its associations. "White privets fall, dark blueberries (probably) are gathered.": so Roman poets warned their loved ones that their beauty was evanescent. China, Japan and neighbouring fields are the homes of the privet's best varieties. Yet we connect it with smutty bricks, homes where gloves are worn for doing the shopping and where the hedge is merely a nuisance which has to be cut.

Presence felt

When the Dictionary reaches L for *Ligustrum* (alias privet) it tantalises us with a snap of a privet in flower. Now, I have been pursuing unusual privets for the past three years, and last summer this flowering occurred in my garden too. Nobody knew what this white-flowered shrub could be. They thought, on a first sniffing, that it was rather stinky, but after a minute or two the sweetness of the scent came home to them. Such handsome leaves, and you say it will be evergreen? When I also said it would be a privet, their interest faded. But the plant had made its presence felt.

Next time you are in a bookshop, look at plate 272 of the colour shrub dictionary and ponder the prettiness of the Chinese privet. Falling panicles of white-ish flower, smart green leaves, a late summer season, a curiously attractive scent; this shrub is too good for clipping or for a mental association with soot. It is not evergreen, so I do not put it at the top of the privet lists. But John Scott of Merriott, Somerset, offer a grey-variegated form of this shrub which is pleasing me so much that I have just sent for two more bushes to brighten up the edges of a disorderly vegetable garden.

Hard pruning

Ash-grey is the general effect of this variety's leaves. The Dictionary remarks that all kinds of Sinense may reach a height of 20 feet, but can be contained. I am reckoning on six or seven feet for my bushes and I will be glad to control them by hard pruning in winter, I think, so that I can cut branches which are bearing their purple berries. These berries are most attractive and last for several months. How many shrubs will flourish on lime, flower abundantly in late July and bear berries in winter and elegant leaves throughout the summer?

A variation called Quihoui is particularly pleasant. I am not sure whether its charm is not partly due to the pleasure of imagining the likely personality of the Monsieur Quihou, of a French public garden, who discovered it. I imagine him, too, to have been tall, elegant and scented, a man with an eye for the quieter pleasures in gardening. This is only a projection of the plant's merits onto its discoverer. Quihoui is deciduous, upright, about six feet tall and white-flowering in August.

I have some new steps beside a French window and on either side I would like an upright scented shrub, not too tall and not scented at an inhospitable time of year. Reading the old gardening articles of the late Vita Sackville-West, a pastime which makes one ashamed to be writing so lamely on the same subject, I was bowled over by her frequent suggestions for this situation. A pair of bay she suggested, to flank and be clipped, perhaps, i arch; I think the frost wou them here. Or an upright shaped cherry, like the flowered one called Spire: unusual idea, but I t would prefer a scented sh the circumstances, and a e leaf is rather dull. So chosen the privet called C because I do not want ar too tall. Please become tomed to its scent befo follow suit. Once you have to like its heaviness, the prehensive nursery of G. I Fox Hill, Keston in Ker probably still have stock.

These deciduous variet splendid, but they are splendid as the evergreens retain their leaves. I the golden privet (*Oval-Aureum*) which is so popu hedges. Left to itself, thi lent shrub will spread o height and width of a five feet and will stand any company for its marked leaves. We make fuss over new golden things like the Flase Ac. the Gleditschia, neither of is evergreen. Yet the old privet is ignored, althoug equally bright, persistent easy to grow. There is a able silver-variegated (Reuthe, again) which with the silver box. But i quicker and more obligin

Root from cutting

Granted that *Lucidum* tioned last week, is the fi all, a stately evergree eventually or a large pillar if you wish, there i pleasure to be had, too the lesser variety, *Japo* whose leaves are also a gli dark green. Both bear flowers; *Lucidum* is a c wild tree, they say, in *Japonicum* (one presum common in Japan. They white flowers and are though *Japonicum* is tough. Like all privet root easily from cutting high time that we split th from suburban settings, the Dictionary had given the mention they need, le a photograph of *Lucidum* fully grown.

ENTERTAINMENT GUIDE

OPERA & BALLET

COCHRANE THEATRE. 242 7040. Evenings 7.45 until Sat. Feb. 28. BALLET RAMBERT in COLLABORATION THREE Workshop Season. Three Programmes 10 New Ballets. Seats 80p.

THEATRES

GREENWICH. 858 7755. Prevs. Fri. & Mon. 8.0. Sat. 2.30 & 8.0. Opens March 2 at 7.0. Subs. 8.0. Mat. Sat. 2.30. THE BELLS.

HAYMARKET. 930 9832. Evenings 8.0.

THEATRES

VAUDEVILLE. 836 9988. Evgs. Mats. Tues. 2.45. Sat. 5.0. Margaret LOCKWOOD Paul DANEMAN and Barrie DOUBLE EDGE "IT IS FAR AND AWAY T

[illegible]

CINEMAS

[illegible]

CLUBS

[illegible]

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University. 9.15 For Schools, Colleges. 10.43 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 The Mister Men. 2.01 For Schools, Colleges. 3.30 Day and Night. 3.58 Regional News (except London). 4.00 Play School. 4.25 Deputy Dawg. 4.30 Jackanory. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.15 Kizzy.
5.45 News.
6.00 Nationwide.
6.40 Goodies Rule—OK?
7.20 A Song for Europe.
9.00 Party Political Broadcast on behalf of the Labour Party.
9.10 News.
9.35 Sportsnight.
10.50 To-night.
11.25 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—5.15-5.20 p.m. Llon a Llwyd. 5.30-5.35 Ffilwc! 5.35-5.45 The Clangers. 6.00-6.40 Wales To-day. 6.40-7.00 Heddiw. 7.00-7.30 Pobol y Cwm. 11.25 News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 2.40-3.00 p.m. For Schools. 6.00-6.40 Reporting Scotland. 11.25 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.40 Scene Around Six. 10.40-11.10 Spotlight on what matters to people in Northern Ireland. 11.10 Northern Ireland News.

England—6.00-6.40 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
10.30 Nai Zindagi Naya Jeevan.
11.00 Play School.
5.00 p.m. Open University.
7.05 On Union Business.
7.30 Newsday.
8.00 Gardeners' World.
8.25 Arena: Art and Design.
9.00 Party Political Broadcast on behalf of the Labour Party.
9.10 Nana Mouskouri.
9.55 Just a Nimmo.
10.20 The Glittering Prizes.
11.40 Newsnight.
11.55 Closedown: Julian Glover reads "The Veiled Sitter" by Jack Clemo.

LONDON

9.30 a.m. Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Hickory House. 12.30 Mr. and Mrs. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 About Britain. 3.25 There Goes That Song Again. 3.55 General Hospital. 4.25 How. 4.50 The To-morrow People. 5.20 The Flintstones.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Man About the House.
8.30 Up the Workers.
9.00 Party Political Broadcast on behalf of the Labour Party.
9.10 Sez Les Special.
10.10 News.
10.40 The Wednesday Special.
12.10 a.m. What the Papers Say.
12.25 We Matter.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Hogan's Heroes. 6.00 About Anglia. 12.10 a.m. The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 ATV Today I including Junior Police Five. 6.00 ATV Today II.

BORDER

12.30 p.m. Untamed World. †1.20 Border News. 5.20 Supersonic. 6.00 Border News and Lookaround. †12.15 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Supersonic. 6.00 Channel News. 6.10 Today in the Guernsey States. 6.15 The Amazing Chan and the Chan Clan. 9.00 Vision U.S.A. 12.10 a.m. Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Thrillseekers. 5.45 Police Newsroom. 6.00 Grampian Today. 12.10 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada Reports. 6.30 University Challenge.

HTV

12.30 p.m. Bygones. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Survival.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 The Bart Family. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Scotch Corner. 12.30 a.m. Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today at Six. 12.15 a.m. Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 5.20 Out of Town. 6.00 UTV Reports.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Supersonic. 6.00 Westward Diary. 12.10 a.m. Westward Late News. 12.13 Faith For Life.

YORKSHIRE

12.30 p.m. Bygones. 1.20 Calendar News. 5.20 Calendar. 6.00 Calendar. 10.40 Calendar Special: A Future for Fishing? 11.05 The Wednesday Special.

RADIO 1 — 247m

(S) Stereophonic broadcast.

[illegible] As Radio 2. 7.00 Simon Bates. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (Joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 The Great American Railroad. 8.02 All Time Hit Parade (S). 9.30 Sing Something Simple (S). 10.02 Sports Desk. 10.00 Command Performance (S). 11.02 Jean Challis with The Late Show (1500 only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only.

7.00 a.m. News. 7.05 Your Midweek Choice: Part 1 (S). 8.00 News. 8.05 Your Midweek Choice: Part 2 (S). 9.00 News. 9.05 This Week's Composer: Debussy (S). 9.45 St. Albans 75 (S). 10.45 Schubert Songs (S). 11.30 Midday Concert: Part 1—Mozart, Prokofiev (S). 12.15 p.m. Words . . . by Ian Robinson. 12.20 Concert: Part 2—Fricker, Stravinsky (S). 1.00 News. 1.05 Concert Hall (S). 2.00 Royal Repertoire—Two ballets by John Cranko: "Pineapple Poll" and "Card Game" (S). 3.20 Cheltenham Festival 1975, Part 1—Beethoven, Bach (S). 4.05 Interval Reading. 4.10 Concert: Part 2—Bartok, Brahms. 5.00 Choral Evensong. ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Language and Communication. 7.30 BBC Northern Symphony Orchestra: Part 1—Honegger, Britten (S). 8.30 The Arts Worldwide. 8.50 Concert: Part 2—Schumann (S). 9.30 Scientifically Speaking. 10.15 One Piano, Four Hands (S). 11.05 Emmy Bettendorf song recital. 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. †9.05 The Living World. †9.35 The Moon's A Balloon. †10.00 News. †10.05 In Britain Now. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Sweet Songs of Zion. †11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1976. †12.55 Weather programme news VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 The Devotees. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Oh, Get On With It! 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line. 8.30 Wellington. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight: News. 10.45 A Book At Bedtime. 11.00 The Financial World To-night. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 In The News. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Quest. 8.30 Soul 77. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

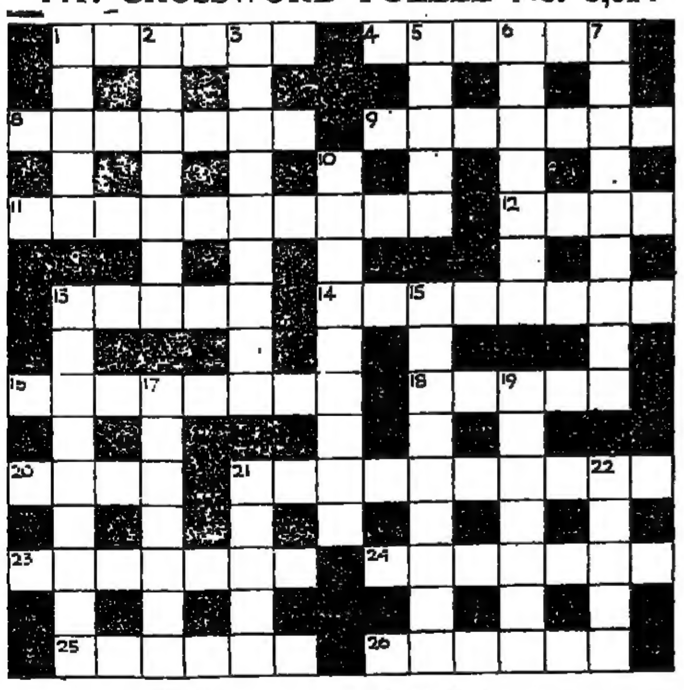
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Jazz in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Open Line. 9.00 Rock Show. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,014



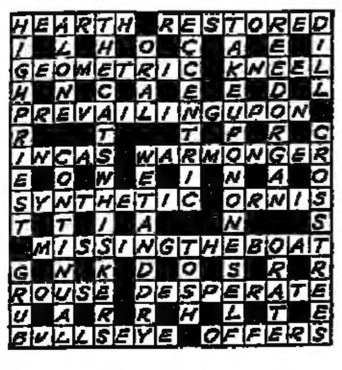
ACROSS

1 Gorge artist on grapes (6)
4 Most talented sailor in case . . . (6)
8 . . . pitching into another sailor on telephone (7)
9 Conduct in company taking Madeira's capital wine (7)
11 Race into lead to film a director (5, 5)
12 Vivacity found in some languages (4)
13 Stick up father's note (5)
14 Charm of Scott novel (8)
16 Singer makes accountant wave (8)
18 The majority about one get wet (5)
20 Inclined to be dishonest (4)
21 Reverie in railways' private writing room (5, 5)
23 Dumb Marxist willing to spear . . . (7)
24 . . . town making old boy turn violent (7)
25 Fate by which king is encountered (6)
26 Composition arranged during month by Exchange Telegraph (6)

DOWN

1 Rep dissociated from rebuke concerning fish (5)
2 Virginia has right to notes that are different (7)
3 Unrivalled and could be no plainer (9)
5 Second class route to waterway (5)
6 Ruler is first person to be upset by papers (7)
7 Name silver worker gives to shrew (9)
10 Recipient of correspondence that is finally dropped (6, 3)
13 After-dinner source of strain in the kitchen (5, 4)
15 Proverbial answer to the one and only fish (5, 4)
17 Marine creature takes a month to work (7)
19 Church music with short preface to it (7)
21 Drink to sound of disapproval (5)
22 Understand it is a number (5)

SOLUTION TO PUZZLE No. 3,013



هكذا في الأصل

FINANCIAL TIMES
Tuesday February 24 1976

TUC may be asked to join accounting standards talks

BY MICHAEL LAFFERTY, CITY STAFF

THE TUC is shortly expected to receive an invitation to take part in discussions on the development of the financial reporting standards of British companies from the authoritative Consultative Committee of Accountancy Bodies.

This was confirmed yesterday by Sir Ronald Leach, chairman of the Accounting Standards Committee (ASC)—the body set up by the CCAB to define acceptable standards of accounting and financial reporting.

The matter will come up for consideration at a meeting tomorrow afternoon, when the ASC will be asked to consider a memorandum on the future role and membership of its plenary committee.

The plenary committee is intended to act as a consultative body for the ASC, but so far its membership has been restricted to representatives from the Confederation of British Industry, the Bank of England and the various City institutions.

Refusal

Acceptance of the invitation by the TUC would involve a notable change of policy in view of its earlier attitude to the Sandilands Committee on inflation accounting. It could also involve it in playing a more active role in the self-regulatory mechanism of the U.K. financial system.

The Sandilands committee invited the TUC to give evidence in order to discover what information employees needed from company accounts. But the TUC refused "on the grounds that we should not be dealing with technical accountancy matters."

Subsequently, however, the TUC expressed reservations about the changeover to the new accounting system, which is scheduled to come into force in 1978, to the Department of Trade.

The department has two representatives on the Inflation Accounting Steering Group — a sub-committee of the ASC and the body responsible for the implementation of the new accounting system and it is thought that this led to the present initiative.

Another factor which may influence the TUC is a realisation that accounting questions are not necessarily narrow technical issues, but can have important implications for trade union policies on employee participation and industrial relations.

Sir Ronald Leach also confirmed that the ASC is "considering wider functions for the plenary committee," and it is thought that it may develop into a more active committee representative of the various users of company accounts.

Should this occur it will give the ASC an excellent forum for discussion of proposed accounting standards, and the new inflation accounting standard in particular, before publishing them for public discussion.

Industry faces threat of gas cuts

By Christian Tyler, Labour Staff

WHITE-COLLAR workers in the gas industry are threatening to reduce supplies to industrial users unless the British Gas Corporation improves a productivity pay offer.

The threat came yesterday when rank-and-file delegates of the National and Local Government Officers Association narrowly voted, against the advice of their negotiators, to reject the corporation's latest offer and go back for more.

Technical engineers, members of NALGO, which is the dominant union among the 58,000 staff, are trying to work out ways of progressively reducing pressure of North Sea gas as it enters the national grid without hitting private consumers or causing danger.

Explosions

The Gas Corporation said last night it was impossible to discriminate between industrial and private supplies, and that reducing the pressure could bring danger of explosions if air entered the system. The threat was "completely irresponsible," it said.

It said NALGO's decision contradicted earlier assurances that there would be no hardship or safety risk.

There is no certainty that the threat will materialise, however, since an early meeting of the two sides is expected, and NALGO negotiators have been authorised by the delegates to call off industrial action if they get some improvement on productivity pay—which cannot in any case be handed over under present Government policy.

The dispute is over payment for extra duties involved in implementing a productivity scheme for manual workers — mainly members of the General and Municipal Workers Union —designed to improve the service to customers.

Final offer

NALGO is ready to accept increases (when allowed) of £7 a week for some 5,500 staff, but wants more than the £4.75 "final" offer for the rest. It originally demanded £14 all round.

Because of NALGO's refusal to co-operate, many manual workers have yet to receive increases of up to £5 a week from their agreement early last year.

About 1,000 staff are on strike, many in support of 300 whom NALGO says have been "locked out" but the corporation says have been sent home for not doing normal duties.

Yesterday's vote, on a resolution from an Edinburgh branch, was carried on a card vote of 18,124 to 17,753 after the negotiators' recommendation to accept was carried by 90 votes to 83 on a show of hands and a formal vote was demanded.

Peers press conscience clause

By John Hunt

CONSERVATIVE PEERS intend to put up further opposition to the Government's controversial Trade Union and Labour Relations (Amendment) Bill to-day by pressing an amendment to ensure the right of a worker to refuse to belong to a union on the grounds of conscience.

As the amendment went down on the Lords Order Paper last night, Mr. Michael Foot, Employment Secretary, issued another warning that there should be "no tampering" with the Bill. He accused editors of criticising the proliferation of small unions at the same time as opposing Government measures aimed at encouraging the closed shop and thus reducing the number of bargaining units.

The Conservative amendment will be discussed during the committee stage in the Lords to-day and is almost certain to be passed and sent back to the Commons. The legislation is now going through the Upper House once more after being thrown out there last session.

However, there seems no chance of a further prolonged confrontation between the two Houses. If the Commons throw out the new Conservative amendment the peers are unlikely to contest it any further. The Conservatives do not expect that the Government will find it necessary to invoke the Parliament Act, under which the Bill would automatically become law this session.

Far enough

It also seems unlikely that there will be any further major battles over the issue of the Press freedom charter. The Conservative front bench in the Lords feels that this matter has been pressed far enough and is not prepared to give it further backing.

Mr. Foot said in London yesterday that he trusted there would be no tampering with what had been achieved in the Bill so far, and in other legislation. There should be no "surreptitious schemeing" in the Inns of Court to re-enact the Industrial Relations Act.

Mr. Foot argued that editors were always complaining there were too many unions. But when smaller unions were squeezed out or "phoney staff associations and sweetheart unions" were pushed aside, the editors screamed "blue murder."

"On the twisted logic of our professional editorial union-bashers, the unions were caught either way," he went on. "Either there are too many of them provoking industrial anarchy or there are too few of them imposing industrial tyranny.

"Certainly there is nothing in the new legislation to impose the closed shop or any for mof the closed shop across British industry as a whole."

Brentford Nylons put in hands of receiver

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRENTFORD NYLONS, one of the leading suppliers of household textiles to the U.K. market, has been put in the hands of a receiver.

Mr. Kenneth Cork and Mr. John Naylor of Cork Gully, the City of London accountancy firm, were appointed yesterday by Barclays Bank at the request of the company, which is privately owned.

The move follows several months of effort by Brentford to cut out loss-making activities. Measures have included closure last year of the company's main garment factories, concentration instead on household textiles, and retailing through a chain of 70 shops.

The company, which pioneered sales of nylon sheets in the U.K., made profits of nearly £1m. in 1972, but by 1973—the last year for which figures are available—profits had fallen to £355,000.

With sales of household textiles falling away in the second half of last year, the company is thought to have made losses in the closing months, and has not since met any substantial upturn in demand. Turnover in 1973 totalled £20m.

The main plant is at Cramlington, near Newcastle-upon-Tyne, where major sums have been spent in recent years on new facilities for a spinning, weaving and making-up cotton polyester sheets.

The immediate intention is that trading should be continued. The long term future of the factories, employing, with the company's shops and head office, a total of more than 2,000 people is likely to depend on whether new financial support can be found.

The statement by the company announcing the appointment of a receiver points to the illness of the founder, Mr. Kaye Metrebian, a Cyprus-born Armenian, as one of the main factors behind the deterioration in the financial position.

Mr. Metrebian, who started the company with £75, suffered a stroke last year. The 1973 report showed him and his family owning almost the entire share capital.

News Analysis, Page 8

GEC cuts to hit five factories

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

GEC TELECOMMUNICATIONS initiated a new round of production cuts yesterday, declaring that 1,568 jobs in the North-East and Scotland would be "surplus to requirements" between now and early next year. As an alternative to compulsory redundancy, the company proposes short-time working plus voluntary redundancy.

Statements in the North-East, where three factories will be affected, and Fife (two plants) laid the blame on the sharp cuts in Post Office orders for equipment. But the Post Office said last night that there had been no change in its four-year order programme since it was given to its suppliers last October.

The October programme for 1975-76 orders as reported on November 18, showed a fall of 12 per cent. below the estimates given last June. But the four-year programme as a whole is only 2 per cent. below the June forecast. Since then, in a process which was still in train last month, each company has been given a detailed breakdown of its own order position. This may partly explain the timing of GEC's action.

GEC Telecommunications' Coventry headquarters refused yesterday to confirm any of the statements from its outlying plants. Nor would it say whether any of the "jobs surplus" (the 468 in Fife being apparently immediate) were part of the 4,800 job cut it announced in September, though officials in the North-East said that all their 1,100 were additional.

Since that date, the P.O.'s other three suppliers have together announced cuts of almost 3,000 people. Significantly, Plessey's labour force was previously about the same size as GEC's, but its immediate programme last autumn consisted of 2,000 redundancies and short-time work for most factory employees.

A complicating factor behind the cuts, especially GEC's, is the shift in Post Office ordering, with repeated Government approval, from electro-mechanical to much less labour-intensive electronic exchange equipment. GEC may be hit harder than Plessey on three counts: it has a lower rate of labour turnover; it has been less successful in exports; it has been more heavily committed to Strowger, the old design which is being phased out in favour of the electronic TXE4.

In view of all this the announcements are less of a surprise than they might appear. While last autumn's warnings of up to 20,000 redundancies in the industry were thought at the time to be an exaggeration, the jobs toll before yesterday's news from GEC was 8,500 well below the more likely eventual total, by 1978, of 13,000-15,000.

Continued from Page 1

Envoy for Rhodesia

ing white rule in Rhodesia is greater than ever before.

Ministers are thus quite prepared for their special envoy to report no progress from Rhodesia, though it is felt that the visit would be useful, both in terms of clarifying the Rhodesian situation and of continuing consultations with the key African Governments of Zambia and Tanzania.

● Tony Hawkins reports from Salisbury: Mr. Smith last night denied that there had been any volte-face on his part about British participation in the Rhodesian constitutional talks.

In a radio and TV interview he accused Britain of refusing to stay clear of the Rhodesian issue.

He recalled that he had frequently appealed to the British to "leave us alone," and if Britain had held to her 1973 position of leaving Rhodesians to find their own agreement there would have been no change of tactics on his part.

"Clearly the British are not giving us a chance, an opportunity to settle the matter," he said.

The most glaring example was the invitation of Black nationalist leaders to attend the Commonwealth Prime Ministers' Conference last year while the Rhodesian leader had been excluded. "African leaders go across to Britain almost on a weekly basis for consultation there."

This was why he had changed tactics. He had not done a political somersault.

BUSIER MONTH AT AIRPORTS

Nearly 10 per cent. more passengers used the British Airport Authority's seven airports last month than in January last year.

Continued from Page 1

Labour-TUC unity survives

Group will refuse to abstain if there is any chance of a Conservative defeat of the Government when the cuts are debated in the Commons.

The White Paper package will also come under attack at a meeting of Labour's National Executive Committee to-morrow.

The Left-dominated committee will consider a request for a special one-day conference in the summer to debate the Government's handling of the employment situation as well as the expenditure White Paper.

Mr. Eric Heffer, the Left-wing ex-Minister, was confident last night that the NEC would approve the conference proposal to the embarrassment of the Government.

But many members of the Executive will vote against the scheme on the ground of excessive costs at a time when the Party is in deep financial trouble.

In a counter-attack against the Left, Dr. Dickson Mabon, chairman of the moderate Manifesto Group, demanded that Tribune MPs should stop "giving comfort to our enemies."

He called in particular for complete support for Mr. Geoffrey Robinson the Labour candidate in the Coventry North-West by-election.

Roy Rogers, Labour Correspondent, adds: The main anxieties expressed by the TUC at yesterday's meeting concerned proposed spending cuts in food subsidies, transport and education, including school meals.

Demands for retention of these items have been added to the TUC's annual economic review which already includes proposals for a £2bn. boost for the economy.

Once endorsed by the full TUC general council to-morow, the review—which proposes tax concessions for the lower paid aid a series of measures to cut unemployment—will be the basis of pre-Budget negotiations with Mr. Healey and set the scene for future pay policy discussions.

Mr. Jack Jones and Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, led the muted TUC criticism.

But it appears that theye were erassured by Mr. Healey that the cuts were not due to be implemented for more than a year anr that by then, the situation might appear very different.

This reassurance, coupled with the Chancellor's offer of "continuing talks on the matter," left the TUC representatives with the impression that the cuts need not necessarily be unchanged.

This should take the edge off any general TUC opposition that might otherwise have built up. As a result, the Civil Service, local government and teaching unions may be left virtually isolated.

A clearer indication of the extent of union opposition should come at to-morrow's TUC general council meeting when Civil Service and local government unions will have their first opportunity to try to mobilise concerted opposition to the cuts.

The leaders of the big manual union are known to have little sympathy for white-collar colleagues in the Civil Service and local government—two areas they believe are overmanned.

Weather

U.K. TO-DAY

CLOUDY start, with showers in N., brighter later.

London, E. Midlands, Cent. N. England

Occasional morning rain with hill fog. Wind S., light or moderate. Max. 9C (48F).

E. Anglia, E., S.E. and Central S. England

Occasional rain, with hill and coast fog, dry and clear in evening. Wind S., moderate or fresh. Max 10C (50F).

W. Midlands, Channel Isles, S.W. England, S. Wales

Rain, with hill and coast fog, soon becoming dry. Wind S., moderate, becoming W. Max. 8C (46F).

N. Wales, N.W. England, Lakes, Isle of Man, S.W. and N.W. Scotland, Glasgow, Argyll

Rain with hill and coast fog, soon becoming brighter. Wind Southerly, moderate or fresh, becoming N.W., light. Max. 7C (45F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth

Showers with hill and coast fog, clearing later. Wind S., fresh, becoming W., moderate. Max. 8C (46F).

Central Highlands

Showers with hill fog, becoming brighter. Wind S.W. veering W., moderate or fresh. Max. 7C (45F).

N.E. Scotland, Orkney, Shetland

Showers with hill and coast fog, becoming brighter. Wind S.W., moderate or fresh. Max. 6C (43F).

Northern Ireland

Showers and sun. Wind N.W., light to moderate. Max. 7C (45F).

Outlook: Mainly dry, overnight fog in S., rain at times in N. Normal temperatures.

Lighting-up: London 17.59, Manchester 18.05, Glasgow 18.08, Belfast 18.18.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alexandria	C	15	59	Madrid	S	14	57
Amstrdm.	S	10	50	Manchstr.	C	11	52
Athens	S	11	52	Melbourne	S	30	86
Bahrain	R	16	61	Mexico C.	S	16	61
Barcelona	C	13	55	Milan	S	13	55
Beirut	R	11	52	Montreal	S	−11	12
Belfast	C	10	50	Moscow	S	−4	25
Belgrade	S	5	41	Munich	F	6	43
Berlin	S	2	36	Newcastle	C	12	54
Birmghm.	C	11	52	New York	S	−3	27
Bristol	C	11	52	Oslo	C	−1	30
Brussels	C	12	54	Paris	C	8	46
Budapest	F	3	37	Perth	S	36	97
B. Aires	S	28	82	Prague	C	−5	23
Cairo	S	18	65	Reykjavik	C	1	34
Cardiff	C	10	50	Rio de J'o	C	28	82
Cologne	C	10	50	Rome	F	13	55
Copenhgn.	F	1	34	Singapore	S	30	86
Dublin	C	12	54	Stockholm	C	−1	30
Edinburgh	R	11	52	Strasbourg	C	3	37
Frankfurt	S	4	39	Sydney	R	25	77
Geneva	C	6	43	Tehran	C	4	40
Glasgow	C	11	52	Tel Aviv	C	13	55
Helsinki	S	−4	25	Tokyo	C	10	50
Hong Kg.	C	16	62	Toronto	S	−12	10
Jo'burg	C	22	72	Vienna	S	2	36
Lisbon	S	14	57	Warsaw	F	−1	30
London	C	11	52	Zurich	F	7	45
Luxembrg.	F	8	46				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	C	14	57	Jersey	R	9	48
Biarritz	C	13	55	Las Plms.	F	21	70
Blackpool	C	11	52	Locarno	F	11	52
Bordeaux	C	14	57	Majorca	F	18	55
Boulogne	C	9	48	Malaga	S	16	61
Casablnca.	F	17	61	Malta	R	15	59
Cape Tn.	C	25	77	Nairobi	S	23	73
Corfu	S	14	57	Naples	S	15	59
Cyprus	F	14	57	Nassau	R	22	72
Dubrovnik	S	13	55	Nice	S	14	57
Faro	S	16	61	Oporto	F	16	61
Funchal	S	18	64	Rhodes	F	12	54
Gibraltar	C	16	61	Salzburg	C	1	34
Guernsey	C	9	48	Tangier	S	18	64
Innsbruck	C	8	46	Tenerife	S	16	61
Inverness	S	12	54	Tunis	C	15	59
Is. of Man	R	9	48	Valencia	F	15	59
Istanbul	R	4	39	Venice	S	11	52

S—Sunny. F—Fair. C—Cloudy. R—Rain. F—Fog.

Snow Reports, Page 3

THE LEX COLUMN

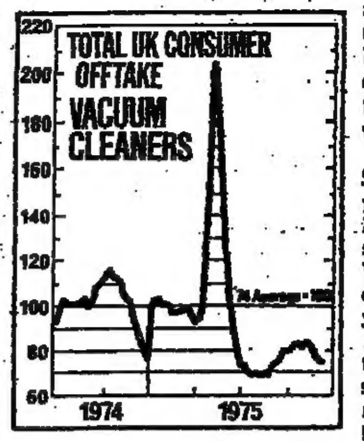
Behind the Wall Street surge

Behind the big surge on Wall Street lies a clear change of heart among the U.S. fund managers who in the final quarter of last year were feeling distinctly edgy about the duration of the bull market. According to a recent survey by Barron's among 76 investment companies, selling topped buying in cash terms by over two-fifths in this period.

The consensus seems to be that interest rates have bottomed out, but that they are not going to shoot straight back up again. Meanwhile the inflation threat has receded sharply; wholesale prices, seasonally adjusted, were roughly the same in January as last October. As for profits, the emerging economic recovery is causing estimates to be scaled upwards, with growth of a quarter or more now in view for 1976. The strength of share prices among basic industries has been especially noticeable—the steel, paper and chemical sectors have all performed roughly twice as well as the Dow in the early part of this year.

The market absorbed profit taking in active trading yesterday morning, and although there are signs of growing speculative activity it is not particularly overbought in technical terms. The trend remains upwards.

Index rose 8.3 to 400.2



Hoover

Hoover ended 1975 with pre-tax profits of £19.2m., which is ahead of most external targets. But now, like other producers of large domestic appliances, the group is having a thin time and does not envisage much recovery until the second half of the year. In the fourth quarter of last year, Hoover was helped by an improvement in Australia and in Scandinavia—reflected in rising overseas taxes and a turnround in the Dutch results — and by a price rise in the U.K. This period's profits of £4.6m. are, however, well down on the £5.5m. and £6.4m. of 1972 and 1973.

The start of the current year has been aided by the slight easing of HP controls and there was a flurry of activity in January when consumer demand rose to within a tenth of average 1974 levels. But business has now slackened off again and internal Hoover projections point to a drop in the range of 8 to 20 per cent. (depending on the VAT rate) in total industry deliveries of washing machines between the already depressed second half of last year and the first six months of 1976. A rather smaller drop is estimated for cleaners, and for both main products the group only envisages a recovery to slightly over June-December 1975 levels at best in the second half of this year: Hoover has now regained its traditional market share in both areas.

At this stage there seems little hope of any progress from the U.K. this year though there are firmer indications of a recovery in the important French and German markets (overseas sales account for about a half of cleaner output and a quarter of washing machine sales). So external projections are for unchanged profits at most which does not give any immediate attractions to the shares—near their 1975-76 high at 340p and yielding 5.5 per cent.

See also Page 20

Anglo-Continental

There are no dramatic changes to be found in the half-time statements from Anglo-Continental and its 47 per cent. owned associate Argyle Securities, but both these arms of the Goldsmith empire appear to have made modest progress. At Anglo, operating profits have dropped from £1.68m. to £1.14m., mainly due to the exceptional costs of a move out of central London by the insurance broking side, but a sharp drop in interest payments, largely reflecting the buying in of loan stock, has allowed pre-tax profits to rise from £1.49m. to ... A smaller loss by Argyle helped here, the propert... showing a deficit almost ... at £0.23m. pre-tax ... excludes, however, higher outgoings of £0.6... of tax on development... ties—which are now ... virtually complete.

At 35p against a ... September of 77p, Anglo ... price has never recover... Mr. Jimmy Goldsmith's ... sion to new pastures a... Walker. With the ... down slightly from t... year-end, an asset bac... roughly 100p a share ... the Cavenham and ... stakes at market val... including 35p of ... broking goodwill, do... leave much room for ... ment. Taking over ... might make sense in the ... term, but not until the ... active de-gearing poli... been carried a goo... further.

See also Page 2...

Imperial Group

The Imperial Group ... confirm that the rest of ... holding is not going to ... for the time being, b... have no strong message ... own share price which ... noticeably flat since ... liminary figures. The ... year has started re... well, but the second h... look for volume is unce... both brewing and tobacc... the real possibility ... another duty increase ... Budget. And EEC tax ... isation is looming ... Imp's home market sha... though the group is ... that the changes will ... introduced all in one ... 1978.

However, the balanc... has gained substantial ... from the BAT sale ... year's investment ... of its short-term debt ... directly to the tobacc... element in stocks, and ... proceeds are being kep... until they can find a ... home. Doubtless they ... their share of U.K. ... rumours, but it seem... likely that Imps sights ... set some way off, in ... place as well as time. ... while a yield of just ov... cent. may keep the ... moving roughly in line ... market.

See also Page 2...

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